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V. Neznanov

The Transition from Capitalism to Socialism

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**The
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to Socialism**



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В. Нелюбов
О ПУТЯХ ПЕРЕХОДА ОТ КАПИТАЛИЗМА
К СОЦИАЛИЗМУ

ПО НЕОПРЕДЕЛЕННОМУ

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PREFACE

The transition from capitalism to socialism on the global scale is the basic content of the contemporary epoch. For this reason, it is the richest, the most eventful, most stirring and most complicated period of world history. The triumph of the socialist revolution speeded up the historical process immensely. Never before has man advanced so swiftly, or social development been so dynamic.

The extensive scope of the national liberation movement and the collapse of the colonial system of imperialism have resulted in the emergence of a large group of newly-independent countries.

How can exploitation be ended and political and economic independence achieved? What are the choices in the ways of building socialism, and what are the general laws for building it? How do these general laws correspond to the specific features of different countries and how are they revealed in the infinite variety of historical, national, geographic, economic, social, political and other conditions? These

are questions being asked by many peoples who have freed themselves from colonialism and have chosen the path of independent development.

The Marxist-Leninist theory of the period of transition from capitalism to socialism has gone through several stages of development, and has been enriched by the experience accumulated in the struggle to build socialism.

In the *Manifesto of the Communist Party* Marx and Engels proposed the conquest of political power by the proletariat and set forth ways for subsequently replacing the capitalist system by the socialist system. With an eye to the new historical conditions Lenin developed the ideas of Marx and Engels on the significance and role of the transition period from capitalism to socialism. Later, the Marxist-Leninist parties generalized the principal ideas in the theory of the transition period and formulated the general laws of transition from capitalism to socialism.

Regardless of the extremely different conditions from country to country, the ideas and conclusions of Marxism-Leninism on the general laws and ways of moving to socialism have become extremely important now that many of the countries, which have recently liberated themselves from colonialism, have chosen non-capitalist development.

Marxism-Leninism provides answers to the most urgent problems facing the socialist-ori-

ented countries—the definition of the principal stages of socialist construction and the establishment of a socialist state; the formulation of a correct policy on the private sector and of the priorities in economic development, a diagnosis of the role played by the vanguard revolutionary and democratic parties, as well as the ways to strengthen the alliance between the working class and peasantry, the consolidation of a genuine popular democracy, etc.

Although this book does not claim to be all-embracing, it aims at acquainting readers with the central ideas of Marxist-Leninist theory on the period of transition from capitalism to socialism.

**ARE THERE LAWS
GOVERNING THE DEVELOPMENT
OF HUMAN SOCIETY?**

Man has always been and is still interested in how human society develops, what governs this development and whether changes in development are accidental or subject to laws. If social development is law-governed, how do these laws correlate with conscious and purposeful activity, and do they depend on people's will and consciousness?

One should not be surprised that these and many other questions have arisen because man can only live in society, and it is natural for him to be interested in society, the changes that occur within it and the ways in which it develops.

Karl Marx and Frederick Engels, the founders of scientific communism, were the first to provide correct and scientific answers to questions such as how and why society develops and what are the laws which govern this development. They discovered that the human history is a natural historical process which develops according to specific and objective laws that man can neither abolish nor create.

People must have food, clothing, housing and many other material benefits to exist. But nature does not offer these benefits ready-made. To acquire them, people must work. For example, to satisfy their need for food, people raise cattle, plough the land, and plant, cultivate and harvest wheat, barley and corn. So labour and production of material wealth are the main and definitive force in social development.

The process of labour, which is a process of expedient interaction between man and nature, is always realized in a certain social form. Labour is the foundation of social life and is the exclusive attribute of human beings. Man—and this is what principally distinguishes him from the animal—works consciously, and even before he begins to work, formulates specific goals for the production of definite material items. As they produce the objects they need, people begin to comprehend the laws of nature and, equipped with this knowledge, make nature serve them and dominate it to a greater and greater extent.

In the process of his labour man influences and reshapes nature, while this, in turn, changes man's own nature: develops his ability to work, broadens his knowledge and its practical application. Urged on by constantly expanding requirements, people broaden the sphere of their labour, accumulate experience in producing things, and improve the way in

which they make them, a way which changes from generation to generation and becomes increasingly complex. Labour is key to human development and without any doubt there could be no human life without labour and production.

Engels wrote that labour is "... the prime basic condition for all human existence, and this to such an extent that, in a sense, we have to say that labour created man himself".¹ Marx and Engels rendered man an enormous service by showing that of all the forms of human relationships social production or economic relations were the most important and definitive.

Before one can explore the essence of economic relationships, an acquaintance with some of the economic categories is necessary.

Man himself is the decisive factor in production. In the course of his labour he reshapes nature to satisfy his needs, and does so by using the objects and instruments of labour. The objects of labour are all the things that man acts upon to acquire material wealth (ores, metal, timber, cotton, etc.). The instruments of labour are all the things which man employs to act upon the objects of labour (machines, equipment, tools, etc.) Land occupies a very special position: in certain spheres

of production (agriculture) it is an instrument of labour, while in others it is an object of labour (mining). But it is always a factor of production. The forces of nature are a general object of labour, and society is strengthened by conquering them (harnessing and using electricity, nuclear energy, solar, wind and water energy, etc.). Together, the objects and instruments of labour are the *means of production*. The means of production and the people who have the knowledge and experience of making things are inseparably linked, and constitute society's *productive forces*.

The productive forces are only one side of production: the other is the *relations of production* or *economic relations*, i.e., relations between people in the course of production. People have always lived and worked together because alone they could not withstand the forces of nature. It is as senseless to talk about production by people isolated from society as it is to talk about a language developing without people living together speaking to each other. Marx wrote: "In order to produce, they enter into definite connections and relations with one another and only within these social connections and relations does their relation with nature, does production, take place."¹

¹ Frederick Engels, *Dialectics of Nature*, Progress Publishers, Moscow, 1974, p. 170.

¹ Karl Marx, Frederick Engels, "Wage, Labour and Capital", in: Karl Marx, Frederick Engels, *Collected Works*, Vol. 9, Progress Publishers, Moscow, 1977, p. 211.

Relations between people are primarily established by their relation to the means of production. People must possess the means of production—own them in order to produce.

These means of production may be the property of an individual, a group of people or society as a whole. The owner of the means of production also owns what is produced by their use.

So relations between people in the course of production are defined primarily by who owns the means of production—in other words, by the form of ownership. If the means of production belong to the working people (public ownership) and are used in the interests of society as a whole, the relations of production will inevitably be those of cooperation and comradely aid between workers who are free from exploitation; these are the relations which exist in the socialist countries.

However, if the means of production do not belong to those who work, but are owned privately by capitalists (private property), and are used to appropriate the fruits of other people's labour, the relations of production are those of domination and subordination—are characteristic of the capitalist countries.

So social production has two sides—the productive forces and the relations of production.

Together, they represent a historically defined *mode of production*.

Now that we have defined the ideas—means of production, forces of production, relations of production and mode of production—we can discuss the ways in which human society develops, the principal impulse of this development, and whether it is governed by laws.

Marx and Engels concluded that the historical development of human society is governed by objective laws, which do not depend on human will or consciousness, and that people are always compelled to conform their actions to the economic conditions in which they exist.

The founders of scientific communism showed that every new generation finds the relations of production and a certain level of development of the forces of production already historically shaped. On the one hand, the new generation develops the productive forces, though on the other, the established relations of production and existing productive forces determine this generation's conditions of life and development. "History is nothing but the succession of separate generations, each of which uses the materials, the capital funds, the productive forces handed down to it by all preceding generations, and thus, on the one hand, continues the traditional activity in completely changed circumstances and, on the other,

modifies the old circumstances with a completely changed activity."¹

So the conditions of material production and the laws governing its development are objective to the extent that people are not free to choose modes of production. Engels underlined the objective nature of material production and its definitive significance to social development, and said that the ultimate reasons for "all social changes and political revolutions are to be sought, not in men's brains, not in man's better insight into eternal truth and justice, but in changes in the modes of production and exchange. They are to be sought, not in the *philosophy*, but in the *economics* of each particular epoch."²

The history of human society is the law-governed development of social production and the necessary change from a lower mode of production to a higher, a change that occurs regardless of people's will or consciousness.

How does social production progress?

The development of social production begins with changes in the productive forces. History

shows that in their attempt to become more productive and to produce as much material wealth as possible, people always strive to improve the tools and the instruments of labour. So with technological progress and changes in the productive forces it becomes necessary to change the relations of production. But because they are less flexible and more conservative, the relations of production take far longer to change than do the productive forces. Gradually over time, the relations of production dominating a society come to be no longer expedient, and restrain the development of the productive forces. In other words, they fetter progress.

This incompatibility between the productive forces and relations of production cannot continue for long. Little by little the incompatibility grows into a conflict, which serves as the material basis for a social revolution. The social revolution destroys obsolete relations of production, and replaces them with new ones offering scope for the productive forces to develop. The objective need to improve production makes people search for more progressive forms of relations of production and ultimately choose a new and more progressive mode of production.

The level of development of the productive forces demands a corresponding form of relations of production—this is the objective dialectics. This is the essence of the conformity of

¹ Karl Marx and Frederick Engels, "The German Ideology", in: Karl Marx, Frederick Engels, *Collected Works*, Vol. 5, Progress Publishers, Moscow, 1976, p. 50.

² Frederick Engels, *Anti-Dühring*, Progress Publishers, Moscow, 1975, p. 316.

the relations of production to the nature and level of development of the forces of production—a law discovered by Marx.

We will now go on to see how this law has acted throughout human history.

Chapter 2

WHAT MODES OF PRODUCTION DOES HISTORY KNOW?

In the course of history five modes of production have replaced each other in turn: primitive-communal; slave; feudal; capitalist and communist (with socialism as its first phase).

The *primitive-communal mode of production* was the lowest and historically the initial form of social organization. It emerged along with the appearance of man some two million years ago, and was the prevailing mode around the world until the fifth or fourth millennium B.C. Throughout this period man progressed from using objects which he found ready-made by nature (sticks and stones) to manufacturing primitive tools. Later man learned to make ever more sophisticated tools and to utilize the useful properties of fire.

The exceedingly low development of the productive forces determined the corresponding relations of production—equality and mutual assistance between all members of the community on the basis of collective, communal ownership of the means of production and egalitarian distribution (regardless of the

amount and quality of the effort contributed by the individual).

All the means of subsistence procured were shared equally among the members of the community regardless of who the procurer was. Egalitarian distribution was the consequence of the low level of development of the productive forces, and there was no alternative. When the life of each individual depended on chance, on how lucky he was in procuring the means of subsistence, inequality in distributing these means among the members of the community would have jeopardized the existence of each individual and the community as a whole. In other words, the people of that time had no more than primitive tools and could withstand the forces of nature only if they were together, only collectively, by spontaneously uniting in small communities. A common home and collective existence was the economic foundation of this kind of community.

The amount of food which the community procured was barely sufficient to maintain life. There was nothing an individual could appropriate or preserve for the future. For this reason, there was no property, classes or exploitation.

The division of labour according to sex and age emerged naturally as collective production slowly improved and became more complicated. Household duties, preparation of food, etc. were concentrated in the hands of women,

who were also occupied with the task of raising children. Hunting and fishing became an occupation for men, while the old people became the custodians of accumulated experience, which they transmitted to the younger generation. The natural division of labour improved the efficiency of collective efforts.

As a result the productive forces developed – albeit slowly – man's ability to produce improved and he became more productive. This created the conditions for a natural as well as social division of labour. The separation of raising cattle from land tilling was the first division of labour. Later on the crafts became a separate industry.

The development of the productive forces (the emergence of more sophisticated instruments of labour, the use of new methods and the accumulation of experience, etc.) resulted in the commune dividing into families which were frequently able to satisfy their own needs and to abandon collective, communal labour. In agriculture, for example, the appearance of the plough, which could be dragged by draft animals driven by one or two people, made the collective land cultivation unnecessary. The procurement of food by collective hunting met with the same fate. Initially, a large group of hunters was required, but as man learned to raise cattle the efforts of many members of the community were no longer required in the production of meat as food.

Collective housing gradually lost its significance and housing for individual families replaced it.

Accompanying the disintegration of the commune was the emergence of private property; individual families became owners of the means of production. Man learned to produce more food than he needed to maintain himself. The opportunity for exploitation appeared—the enrichment of some members of society at the expense of others. Primitive equality yielded to inequality. The first antagonistic classes emerged—slave-owners and slaves. This is how the development of the forces of production led to the primitive-communal mode of production being superseded by slave-owning system.

The *slave-owning mode of production* was the next stage in human history. The productive forces inherited from the primitive-communal system continued to develop. The division of labour continued to expand. Cities emerged; they grew in size, and trade developed.

The transition from primitive-communal society to slave-ownership was a period of major breakthroughs in perfecting instruments of labour. Metal started to be used for making tools—first copper and bronze, and then iron. The plough, spade, hatchet, pick, harrow, pitchfork, tongs, sickle, etc. became widespread. Parallel with these simplest implements appeared more complicated tools such as the bellows, the loom and the potter's wheel.

Although they were far from perfect, these tools ensured that man would be more productive than before.

The realm of human labour gradually widened, and trades became more varied. There were masons, carpenters, metal workers and saddle-makers in Ancient Greece.

The established relations of production corresponded to the productive forces in the slave-owning system. These relations were characterized by the slave-owner's private ownership of the means of production, the slave himself, and everything slaves produced. The only thing the slave received was enough of the means of subsistence to keep him alive.

The slave-owning system was the first system in history based on antagonism between classes, and exploitation.

The formation of antagonistic classes in slave-owning society and the establishment of exploitation of man by man were accompanied by the emergence of the state and the establishment of the political supremacy of the slave-owning class over the class of slaves. In characterizing history's first state, Lenin noted: "...when the first form of the division of society into classes appeared, only when slavery appeared ... the existence of ... the class of slave-owners was secure—then in order that it might take firm root it was necessary for a state to appear.

"And it did appear—the slave-owning state, an apparatus which gave the slave-owners power and enabled them to rule over the slaves."¹

So relations of supremacy and subjection were established in slave-owning society, relations of the economic exploitation of the disfranchised masses of slaves.

For a time the slave-owning relations of production encouraged the development of the productive forces.

Better tools, the increase in the number of cattle and the use of cattle as draft animals helped to expand agriculture and cattle raising, and led to the formation of large latifundias, where hundreds and sometimes even thousands of slaves were employed. The development of the crafts, which had begun within the primitive community, attained a higher level. Like in agriculture, slave-owning enterprises employing rudimentary mechanisms, gradually emerged in the crafts.

As time went by, slave-owning relations of production became incompatible with the productive forces and hindered their development. This manifested itself in the acute aggravation of class contradictions between the slaves and the slave-owners.

Production required the constant improve-

ment of the tools and more productive labour—something the slave was totally uninterested in achieving.

The discrepancy between the expanding productive forces and the slave-owning relations of production increased as time went on. The discrepancy was expressed in slave rebellions. The extreme aggravation of class contradictions shook the economic and political foundations of slave-owning society and a new system—feudalism emerged from its ruins.

The *feudal mode of production* which replaced slave-owning society was characterized by the continued development of the forces of production. People learned to utilize the energy of water and wind, improved the crafts considerably, constructed the first machine-tools, expanded trade, continued to build cities, and developed agriculture.

The new feudal relations of production offered great scope for the productive forces to develop. The relations were based on the feudal lord's ownership of the land and other means of production, as well as a form of partial ownership of the workers—the peasants and craftsmen who were serfs. The feudal lord had the power to compel the serf to work, could buy or sell him but he could not put him to death. Besides, in the early stages of feudalism, the serf still enjoyed the right to leave one master for another.

¹ V. I. Lenin, "The State", *Collected Works*, Vol. 29, Progress Publishers, Moscow, 1965, pp. 478-79.

Just as in slave-owning society, the feudal relations of production were those of supremacy and subjugation, with a huge mass of peasant serfs exploited by a handful of feudal lords.

The personal fate of the peasants and craftsmen in thrall as serfs depended on the feudal lords, who exerted both legal and administrative power over them. Without this it would have been impossible to make the serfs work for their masters' benefit.

Even so, these relations were the step forward in comparison with slave-owning relations since they compelled the peasant serfs to be at least slightly interested in their work. The peasants now owned some means of production (small plots of land, cattle, tools, etc.) which allowed them to spend some time working for their own benefit once they completed the obligatory labour for the feudal lord. This stimulated them to improve the implements of labour, labour methods and raise labour productivity. For this reason, productive forces in the feudal period achieved a higher level of development than before. Iron ploughshares and harrows with iron teeth appeared, fruit growing, viticulture, and vegetable gardening became widespread, and the blast furnace, firearms and printing were invented.

The artisan's workshop was gradually replaced by rudimentary capitalist cooperatives and manufactories, which concentrated a large

number of workers under one roof. This helped further the division of labour and led to a steep increase in productivity. The manufactories signified the birth of a new and more progressive mode of production within the feudal system—capitalism.

Feudal relations of production which chained the peasants to the land and prevented labour from flowing to nascent industry acted as a brake on the development of the productive forces. Feudal relations of production which impeded production and shackled it had to be replaced. The shackles had to be smashed and they were. This was achieved by the bourgeois revolutions, which were led by a newly-emergent class—the bourgeoisie.

The *capitalist mode of production* was a new step forward in human history. Its core was large-scale machine production—huge factories and plants. Marx and Engels characterized the productive forces of capitalism as follows: "Subjection of Nature's forces to man, machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalisation of rivers, whole populations conjured out of the ground..."¹

¹ Karl Marx and Frederick Engels, "Manifesto of the Communist Party", in: Karl Marx, Frederick Engels, *Collected Works*, Vol. 6, Progress Publishers, Moscow, 1976, p. 489.

In its initial centuries of existence, capitalism did more to develop the forces of production than had all the preceding modes of production.

This mighty growth in productive forces was conditioned by the new, capitalist relations of production. These were based on private capitalist ownership of the means of production. In a capitalist system, the workers are legally free, and formally, the owner of the means of production (the capitalist) cannot force them to work for him. But because they do not own the means of production themselves, the only choice the workers have (in order to remain alive) is to sell their labour power to the capitalist, to seek employment at factories and plants and subject themselves to exploitation.

Capitalism bred capitalist profit as a stimulus for developing production. It is in the race for profits and superprofits that the capitalist endeavours to expand his production and improve his technology, thus accelerating the development of the productive forces. However, at a certain stage of development, capitalist relations of production cease to correspond to the productive forces. The main contradiction of capitalism heightens—the contradiction between the social nature of production (in which hundreds of millions of people are engaged) and the private capitalist way of appropriating its results (the fruits of the labour of millions of working people are

appropriated by a small group who own the means of production).

The contradictions of capitalism are most acute in the final stage of capitalism—the age of imperialism, when free competition yields to the domination of giant monopolies.

The monopolies link the labour of millions of people both within one country and beyond it. They coalesce with the government mechanism and that gives rise to state-monopoly capitalism. Production assumes a social nature, greater than ever before. But in developing the productive forces on an enormous scale, capitalism prepares the material conditions for its own destruction. The productive forces have grown so that the framework of the capitalist relations of production is too narrow for them and acute conflicts emerge (crises, inflation, unemployment, wars, etc.), which can be resolved only by a socialist revolution. The revolution abolishes obsolete capitalist relations of production and replaces them with more progressive, socialist relations of production based on public ownership of the means of production.

The working class, in alliance with the working peasantry, is the social force which history has chosen to destroy capitalist relations and institute the new, communist mode of production. The vanguard of the working class is the working-class party, which espouses scientific

communism and brings that theory into the mass working-class movement.

So capitalist development itself creates both the objective and the subjective conditions for the emergence of a new social system—communism.

But even so, an entire historic period—the period of transition from capitalism to the first phase of the communist mode of production: socialism—is required to replace the capitalist mode of production by the communist.

NEED FOR A PERIOD OF TRANSITION FROM CAPITALISM TO SOCIALISM

The revolutionary transformation of capitalism to socialism is a law-governed process, inevitability conditioned by the entire history of social development. This is one of the key ideas of Marxism-Leninism; it has been proved by life and confirmed by the experience of the many countries which have chosen socialism.

There is no country which can arrive at socialism without first going through a historical period of transition. How long this may take, and the form and methods of carrying through revolutionary changes, may differ from country to country and depend on different historical conditions, but the essence is always the same.

Revolution destroys the old society, but does not complete the change. For example, power can be seized quickly—it might take days or even hours—but the old society, which represents a complex social organism, cannot be destroyed at one blow, even no matter how energetic and resolute that blow may be.

Destroying the old system is a rather lengthy process. Everything which served the exploiters and could be used against the people must be smashed - with force and determination. At the same time everything useful, everything that can serve the interests of the working people should be preserved.

One must also realize that the construction process starts at the moment of destruction. These are not consecutive processes, but are parallel.

It is not easy to build at the same time as you are destroying the obsolete, to build on the ashes of the old. You first have to prepare the blueprints for a new edifice that you have never seen.

The need for a period of transition from capitalism to socialism stems from the peculiarities of the socialist revolution and its fundamental difference from the bourgeois revolution. As indicated earlier, the bourgeois revolution occurs when the capitalist mode of production is born and develops within the feudal system. Unlike that, socialist revolution begins even though socialist relations of production do not develop within capitalism.

The bourgeois revolution ends once political power is seized, since the economic foundation of capitalism has been created by preceding historical development. Therefore, the entire objective and function of the bourgeois revolution is to abolish obsolete feudal relations. On

the other hand, the socialist revolution only begins with the conquest of power, and the triumphant proletariat uses political power to reshape the economy on a socialist foundation and on this basis to abolish the remaining elements of capitalism.

Why cannot socialism be born or develop within capitalism? There are several reasons. Let us look at them.

First reason. The necessary condition for the emergence of capitalist production relations is the separation of the worker from the means of production, which turns him into a destitute proletariat forced to sell his labour power to the capitalist, that is to seek employment in order to stay alive.

The necessary condition for socialism is the unification of the immediate producers (the working people) with the means of production. Naturally, this unification cannot take place within the framework of a bourgeois society. The capitalists will never voluntarily give up their property, which they have accumulated through appropriation of the unpaid surplus labour of hired workers - in fact, the exploitation of those workers. Before it is able to become the master of the means of production which its labour has created, the working class must seize the means of production from the bourgeoisie by force. In this way will the working class, whose hands created the means of production, achieve historical justice.

Marx and Engels said that the proletariat "... by means of a revolution ... makes itself the ruling class, and, as such, sweeps away by force the old conditions of production".¹

Second reason. As already indicated, the historical development of slave-owning society gradually transformed it into a feudal, from thence into capitalist society. But even so, the old (obsolete) and the new (emerging) modes of production coexisted for a long time. The explanation for this coexistence is that the slave-owning system, feudalism and capitalism have a common foundation—private ownership of the means of production. In other words, slave-owning, feudal and bourgeois property are basically the same. So when the class of feudal lords or capitalists set out to consolidate the economic position they had achieved by subjecting all society to the conditions which ensured their domination—a specific form of private property—other forms of property did not have to be abolished.

Socialist property is the direct negation of all forms of private property, and because of this fact it cannot emerge within capitalism.

Third reason. Socialist production relations are based on public ownership of the means of production. Meanwhile the only kind of

ownership which develops under capitalism, is that kind of ownership which does not destroy the nature of private property. Even if some means of production become state-owned, this does not change the nature of the property. This does not make capitalist property the property of the people as a whole because the capitalist state is in fact only a capitalist of many components, or a committee for the management of capitalist affairs.

Fourth reason. Capitalist ownership was able to emerge within the feudal system and exist alongside feudal ownership because both forms of ownership are based on the exploitation of man by man. Only the forms of exploitation changed during the transition from feudalism to capitalism—exploitation itself remained. The same is true of the period when the slave-owning system was replaced by feudalism.

The nature of socialist ownership excludes all exploitation of man by man. For this reason, socialist property cannot spontaneously grow out of private property, and can be established only once private property has been abolished. The appearance of public property negates the very foundations of a society divided into hostile and antagonistic classes. Logically, a change of this profundity cannot be achieved within the framework of the bourgeois system.

Fifth reason. All presocialist modes of pro-

¹ Karl Marx and Frederick Engels, "Manifesto of the Communist Party", in: Karl Marx, Frederick Engels, *Collected Works*, Vol. 6, pp. 505-06.

duction were the result of the spontaneous development of the productive forces. But because its basis is public property, socialism cannot develop spontaneously or anarchically. It is able to emerge and develop only as a result of conscious and purposeful action by the working class in an alliance with the peasants and other sections of the working population. It is only the socialist state which is able to control action of this kind. The socialist state implements a series of measures, which leads to the establishment and development of friendship and cooperation between people who have succeeded in liberating themselves from exploitation.

From this we can conclude that socialism does not and cannot emerge from within the bourgeois system. It emerges, develops and consolidates as a result of a socialist revolution, which destroys capitalist relations of production.

Even after they have taken power in their own hands, the working people cannot create a socialist society overnight. Lenin provided the answer as to why not: "This object cannot be achieved at one stroke. It requires a fairly long period of transition from capitalism to socialism, because the reorganization of production is a difficult matter, because radical changes in all spheres of life need time, and because the enormous force of habit of running things in a petty-bourgeois and bourgeois

way can only be overcome by a long and stubborn struggle."¹

The transition from capitalism to socialism is a stage of history, which begins at the moment the working people win political power and ends once socialism has been built.

This is the period of transition, which presupposes the ongoing abolition of unearned private ownership of the means of production in all forms, and the transformation of the means of production into public property. In other words, the transition period involves the liquidation of the exploiting classes and abolition of all forms of the exploitation of man by man as well as the establishment of socialist relations of production. The transition period is the time of the socialist transformation of petty commodity production by peasants and artisans through the voluntary producers' co-operatives. The material and technical base of socialism is built up through large-scale machine production, which ensures technical progress in all sectors of the economy. Accompanying this is a cultural revolution and the remoulding of the mentality of the petty-bourgeois sections in the spirit of the new socialist ideology.

The length of this period of transition for countries which have chosen socialism as their

¹ V. I. Lenin, "Greetings to the Hungarian Workers", *Collected Works*, Vol. 29, p. 388.

goal is determined by specific historic conditions, such as the level of the forces of production prior to the revolution, historical and national tradition, the degree and the entrenchment of the old ideology in the minds of the people.

The period of transition in the highly developed capitalist countries where production is more highly socialized and the necessary conditions of socialism better prepared may be shorter than in less economically developed countries.

A favourable international situation, particularly the establishment, growth and consolidation of the world socialist system help make the period of transition from capitalism to socialism historically shorter and less arduous.

In the USSR, the country to pioneer the road to socialism, the transition period began in October 1917 and continued until the mid-1930s. The 1936 Constitution of the USSR legislatively consolidated the triumph of socialism in the country. The transition from capitalism to socialism in the other socialist countries was usually faster. As indicated, the development of the world socialist system provided the opportunity to reduce the transition period. The transition period for Bulgaria, Hungary, Czechoslovakia and Romania was approximately 15 years and 12 for the GDR, Yugoslavia, which has a multitude of individual

peasant farms, is still building the foundations of socialism.

To conclude this section, it should be pointed out that the transition period should not be seen as a separate socio-economic stage of society. As already indicated, it is the historical period of replacing capitalism by socialism. It must be emphasized that socialism cannot be achieved through reform, but only by socialist revolution whose objective is the fundamental restructuring of the social and economic system. This is the objective demand of social development. And here is the dividing line between the Marxist-Leninist theory of socialist revolution and reformism and revisionism.

No country can avoid the transition period even if the internal and external conditions are the best suited to build socialism.

GENERAL LAWS AND PECULIARITIES OF THE TRANSITION PERIOD

When referring to the laws of the period of transition we are thinking of the basic revolutionary changes a country must carry out once it has made its definitive choice of socialist development. This is primarily because of the community of the context of the proletarian revolution and the objective initial conditions of the transition period. For countries which have entered the transition period, the objective and final results of revolutionary change are also the same—socialism. And what is a common denomination for all countries is that the leading social force in implementing revolutionary changes should be the working class, guided by its Marxist-Leninist party.

The initial theory of the general laws of socialist transformations during the transition period was formulated by Marx and Engels, with Engels pointing out that the questions involving the stages of transition to socialism are the most difficult of all. Lenin later developed these questions creatively and concretized the

relevant stages after analyzing the imperialist stage of capitalism and the initial processes of building socialism in the USSR.

"When the Marxist-Leninist classics, lifting the curtain of time, charted the contours of socialism and communism," indicated Leonid Brezhnev, "they were extremely careful. Not a grain of utopia. No flights of fantasy. Only what can be scientifically proved: the basic trends of development, the main, fundamental characteristics. Theoretically it was clear that the transition from capitalism to communism would embrace a long historical period, that the new society would rise from one stage of maturity to the next. But no one could tell in advance what concretely these stages would be."¹

Marxist-Leninist theory has formulated the following general laws governing the transition from capitalism to socialism. Experience of building socialism in many lands has confirmed them.

First, the leading role of the working class led by the Marxist-Leninist party; the carrying out of a proletarian revolution and the establishment of the dictatorship of the proletariat in one form or another.

Second, an alliance between the working

¹ Leonid Brezhnev, *A Historic Stage on the Road to Communism, Peace and Socialism* International Publishers, Prague, 1977, p. 6.

class and the main mass of peasants and other sectors of the working population.

Third, the abolition of capitalist ownership and establishment of public ownership of the basic means of production.

Fourth, gradual socialist transformation of agriculture based on voluntary peasant cooperation.

Fifth, planned economic development aimed at building socialism and communism and improving the living standards of the working people.

Sixth, a socialist revolution in ideology and culture, and the moulding of a community of intellectuals loyal to the working people and the cause of socialism.

Seventh, the abolition of national oppression and the ensurance of equality and fraternal friendship between nations, the development of all nations and the establishment of close relations between them.

Eighth, defence of revolutionary gains from internal and external enemies.

Ninth, solidarity of the working class in one country with the working class of other countries—proletarian internationalism.

These are the principal laws of the transition period. It has to be realized that they may often manifest themselves in different ways at different stages of the period. Some laws continue to act throughout the period of transition, while others do not.

The fact that general laws for the transition from capitalism to socialism exist does not mean that they manifest themselves in exactly the same way everywhere. The very specific forms that these general laws may take depend on the peculiarities in a country's historical development, on the peculiarities of its economy, national traditions and culture, the world situation, and other factors. In other words, the general laws do not obliterate the historical and national specifics of any one country during the transition to socialism. Lenin made this clear: "All nations will arrive at socialism—this is inevitable, but all will do so in not exactly the same way, each will contribute something of its own to some form of democracy, to some variety of the dictatorship of the proletariat, to the varying rate of socialist transformations in the different aspects of social life."¹

It should be said that although Marxism-Leninism has put the necessity and general laws of the transition period from capitalism to socialism on a solid foundation, it has never tried to foresee every possible angle in the historical ascent to socialism or to offer pat recipes for all countries. Lenin oft repeated that scientific socialism defined only the most

¹ V. I. Lenin, "A Caricature of Marxism and Imperialist Economism", *Collected Works*, Vol. 23, Progress Publishers, Moscow, 1964, pp. 69-70.

general outlines of what is necessary to build socialism. "We do not claim that Marx knew or Marxists know the road to socialism down to the last detail. It would be nonsense to claim anything of the kind. What we know is the direction of this road, and the class forces that follow it; the specific, practical details will come to light only through the *experience of the millions* when they take things into their own hands."

The experience of the world communist movement indicates that depending on the concrete conditions, a revolution can be carried out in different ways, from an armed rebellion to the winning of a parliamentary majority and forming a government on this basis, a government which can carry out socialist transformations. But one thing must feature in every genuine socialist revolution—the deprivation of the bourgeoisie of its political power, and the establishment of a dictatorship of the proletariat in one form or another.

There are different ways in which the principal means of production can be socialized. Socialist nationalization (either without or with partial indemnification) has been carried out in different ways in different countries, both as to speed and pattern. The abolition of big busi-

¹ V. I. Lenin, "From a Publicist's Diary. Peasants and Workers", *Collected Works*, Vol. 25, Progress Publishers, Moscow, 1974, p. 285.

ness may take place at the beginning of the transition period, while the establishment of agricultural cooperatives may take place later.

To be more specific, the originality of each country's transition to socialism is less a question of "what to do?" than "how to do it?"

The specific way of carrying out a socialist revolution depends on the specific conditions of the country.

The 1917 socialist revolution in Russia was the first and for a comparatively long period of time the only triumphant proletarian revolution. The peoples of the USSR were alone in building socialism confronted by the whole capitalist world. The capitalist world refused to accept the fact that in an enormous country the working people were building a new society which undermined the foundations of capitalism. This is why external and internal counter-revolutionaries made many attempts to crush the Soviet system at any cost. It also explains why a socialist society in the USSR had to be established in the midst of an extremely tense struggle between the working people and the obsolete forces of the old world.

The fact that Russia was the first country to begin building socialism, and remained so for such a long time, became the chief feature of its period of transition, a feature which gave rise to many other distinguishing traits, which

were often of very great importance. Encirclement by capitalism, the open hostility of the bourgeois countries, constant economic and diplomatic pressure, military intervention immediately after the proclamation of Soviet power and the constant threat that the new order would be attacked anew required great efforts in foreign policy and affected all aspects of life in the USSR. The USSR was forced to spend very heavily on defence, which retarded the effort to improve living standards. It had to consolidate centralized management. The capitalists of other lands surrounding the USSR provided material and moral support to internal counter-revolutionary forces and assisted their endeavours.

The Soviet government was forced to spend three of the approximately twenty years of the transition period in concentrating its principal forces to crush the internal counter-revolution and imperialist intervention by armed force. In many parts of the country the armed struggle continued for five years. The resulting colossal losses to the economy gave rise to a specific period in Soviet history—the period of economic recovery. The peculiar conditions left an indelible mark on the economic policy of the Soviet government.

There was the policy of war communism between 1918–1920, the time of civil war and military intervention by the imperialist countries. This policy was necessitated by the enor-

mous difficulty of defending a country which had virtually become a besieged fortress. The government gathered into its hands all the country's force, and all its material resources so that it could supply the army and the people with food, and ensure raw materials for industry and thus defend the revolution. Private trade, especially the private sale of bread and other prime necessities, was forbidden. War communism was an enforced measure in the exceedingly difficult situation which gripped Russia during those days. The policy of war communism was one of the peculiarities of the transition period in the USSR. This is confirmed by the experience of other socialist countries, where popular power was established in conditions more favourable than in the USSR.

The socialist revolutions in several European and Asian countries during the second half of the 1940s occurred in a new historical situation, when the might of capitalism had been considerably eroded. Hitler Germany and militarist Japan, which were the striking force of international imperialism during World War II, suffered a crushing defeat, in which the Soviet Union played a decisive role. The weakening of world imperialism and the growth of the strength and international influence of the USSR created conditions which encouraged socialist transformations in many countries of Europe and Asia. The Soviet Army's liberation

of these countries from fascist slavery made it easier for the working people to take power. This created the specific conditions for socialist transformations. In their efforts to build socialism, the peoples of these countries were able to and did rely on comprehensive assistance from the world's first socialist country—the USSR.

The practice of building socialism in several countries shows that there really do exist the general laws in the transition to socialism. There are two extreme opinions about the general laws and peculiarities of building socialism in different countries, with the contemporary revisionists and the dogmatists at opposite ends of the field.

One extreme is the revisionist theory of socialism with a national face. It claims that national characteristics and not general laws play the key and definitive role in a socialist revolution. Advocates of this theory say that each country must find its own path to socialism in keeping with just its own national specifics. "Socialism with a national face" is a product of nationalism, and its aim is to question the great amount of experience in building socialism which the Soviet Union and the other socialist countries have accumulated.

At the opposite end of the field on this major issue are the dogmatists, who hide behind revolutionary rhetoric in order to deny

that a socialist revolution may take on different aspects depending on the country. They believe that revolutionary transformations and the construction of socialism must be done according to patterns which have been established for all time, and that the endeavour should take the same form, and even the same methods must be used. This dogmatic viewpoint paralyzes the revolutionary energy and initiative of the working people, and reduces revolutionary parties to organisations of dogmatists who refuse to see and take account of the exceptionally wide range of historical and national conditions operating in different countries.

Marxists-Leninists say that there has to be a creative approach to and a constant account of the concrete domestic and foreign situation of each country in applying the general theoretical laws of the socialist revolution. Only the correct combination of the general laws and individual features of a specific country will guarantee a triumphant socialist revolution and socialist transformations.

Lenin warned against ignoring specific conditions, and denounced all attempts to build socialism according to a set pattern. He pointed out the necessity to creatively apply the general and basic principles of scientific socialism to each country's specific relations among classes and parties, and to be creative in developing communist theory.

The 26th CPSU Congress in February-March of 1981 summarized the historical experience of socialist revolutions, and reaffirmed the Leninist idea that there are no set rules and patterns for the great and complex process of building socialism. Leonid Brezhnev, General Secretary of the CC CPSU, told the Congress that: "all the socialist countries, in fact, carried out the revolution in their own way, using forms that were dictated by the correlation of class forces in each of these countries, by the national distinctions and the external situation.

"There had been armed struggle and peaceful forms of passage to the new social system; there had been rapid coming to power of the labouring classes and processes that had dragged out in time. In some countries the revolution had to defend itself against foreign intervention, others had been spared any outside invasions.

"The establishment and consolidation of socialist foundations and the building of socialist society ... also had and now have distinctive features in different countries."¹

Lenin felt that it was equally harmful to ignore the general laws of the transition to socialism. Over half a century ago he wisely

said that some of the principal features of the socialist revolution carried out in Russia in October 1917 had international as well as purely Russian bearing.

The creative application of the general laws in a concrete historical situation demands that the peculiarities of the transition to socialism in each country be taken into account; this involves the methods and paces for socialist transformations, as well as the sequence in which problems of building socialism should be tackled. At the 25th Congress of the CPSU it was stated that: "A deep understanding of these general laws, and reliance on them, in combination with a creative approach and with consideration for the concrete conditions in each separate country, have been and remain the inalienable and distinctive feature of a Marxist-Leninist."¹

The experience of the socialist countries indicates that, no matter what the forms and ways of transition to socialism which the historical conditions and national features of each country demanded, the transition is subject to objective general laws which must be taken into consideration. Any overestimation of local features that impedes the im-

¹ *Documents and Resolutions. The 26th Congress of the Communist Party of the Soviet Union*, Novosti Press Agency Publishing House, Moscow, 1981, p. 23.

¹ L. I. Brezhnev, *Report of the CPSU Central Committee and the Immediate Tasks of the Party in Home and Foreign Policy*, Novosti Press Agency Publishing House, Moscow, 1976, p. 27.

plementation of the general laws will inevitably tell negatively on socialist transformations.

We will examine some of the general laws in greater detail so that they can be more clearly understood.

Chapter 5

NECESSITY AND ESSENCE OF THE DICTATORSHIP OF THE PROLETARIAT

Marxist-Leninist theory says that power is the key question in every revolution. Even a class which has achieved economic dominance cannot fully exploit its position if it does not possess state power. Only state power—complete power over the means of production—can ensure this class political domination and allow it to pursue an economic policy which will further its interests. This is why it is so especially important for the working people, who do not own the means of production, to take power into their own hands. Only after they have established their dictatorship and taken over the state reins of society can the working people take possession of the means of production.

Karl Marx expressed the thought that the working people can establish their power in the form of a dictatorship of the proletariat during the period of transition from capitalism to socialism. "Between capitalist and communist society lies the period of the revolutionary transformation of the one into the other. Cor-

responding to this is also a political transition period in which the state can be nothing but *the revolutionary dictatorship of the proletariat*.¹ Life has vindicated these words, and eloquent testimony of this is what has been done in the socialist countries.

The dictatorship of the proletariat is a basically new form of power. A look at the history of society shows that state power in all the pre-socialist systems of society formations was—and still is—an instrument protecting the interests of the wealthy minority, an instrument for suppressing the exploited majority. In other words, for a long period of human development the state was a mechanism for maintaining the supremacy of one class over another.

Unlike all preceding forms of state power, the dictatorship of the proletariat expresses the vital interests of the working people, who are the most numerous sector of the population. The alliance between the working class and the peasants and other working sectors of society is the supreme principle of this power. In this way the socialist state becomes an instrument for suppressing the exploiting classes, who are only a very tiny minority.

¹ Karl Marx, "Critique of the Gotha Programme", in: Karl Marx and Frederick Engels, *Selected Works*, in three volumes, Vol. 3, Progress Publishers, Moscow, 1976, p. 26.

Again, unlike all other forms of state power, the essence of the dictatorship of the proletariat is not violence, but activity directed to organise and lead the working people in the endeavour to build a new society, to destroy the hostile exploiting classes and to abolish exploitation of man by man as well as its causes. This objective, which is in the basic interests of all labouring classes in society, may be attained only if the working class, once it has become the dominating class, can extract the non-proletarian working people out of the sphere of bourgeois influence, establish an alliance with them and involve them in the construction of socialism.

The dictatorship of the proletariat plays an especially great role in the economic sphere, a role determined by the special nature of the socialist revolution. All preceding revolutions in fact performed a principally destructive role by liquidating obsolete political systems. The principal feature of socialist revolution is that it simultaneously abolishes the old system and embarks on constructive endeavour because, as was already indicated, the revolution begins in the absence of any socialist base, and its task is to create that base.

The socialist state directs all the economic and organisational endeavours of the working class in alliance with the mass of the working population. This state also uses political power as well as the key positions of command in the

economy to create new relations of production.

By virtue of its ownership of the means of production the socialist state becomes a tremendous economic force in the construction of socialism. No bourgeois state has ever wielded or can wield such great economic power because the means of production belong to individual capitalists or groups of capitalists and not the state.

There may be different forms of the dictatorship of the proletariat. The *Soviets* are the form of state power in the USSR. This form, created by the revolutionary activity of the masses, best suited the complex situation in which the building of the world's first socialist society was begun. Lenin defined the Soviets as a new type of state, as a new and highest form of democracy, as a means in which the working people themselves could govern the state.

The Soviets were the first form of state power ever exercised in the interests of the broad masses of the working people. It was the first time ever that democracy began serving the working people and was no longer the democracy of a wealthy minority. The establishment and consolidation of Soviet government as a form of the dictatorship of the proletariat guaranteed that freedom and democracy could be exercised to benefit the tremendous working majority on a scale never before seen or even remotely possible in any capitalist country.

Lenin considered it possible that different forms of the proletarian state could appear in the course of the development of the socialist revolution internationally. "The transition from capitalism to communism is certainly bound to yield a tremendous abundance and variety of political forms, but the essence will inevitably be the same: *the dictatorship of the proletariat*."¹

The dictatorship of the proletariat established itself in the form of *people's democracy* in several of the socialist countries which emerged after World War II.

People's democracy reflects the specifics of the development of the socialist revolution in the period of the aggravation of the general crisis of capitalism, as well as the historical and national features of those countries which chose socialist development. The people's democracies are different from the Soviet Republic but the distinctions are not fundamental, and involve just individual aspects of the way society is organized politically. People's democracy was the form chosen by several East European socialist countries, among them Bulgaria, Hungary, the German Democratic Republic, Poland, Romania and Czechoslovakia. There are features of people's democracy form of the dictatorship of the pro-

¹ V. I. Lenin, "The State and Revolution", *Collected Works*, Vol. 25, p. 418.

letariat which distinguish it substantially from the Soviets in the USSR. Overall, these features are as follows:

- a longer period of and more gradual steps in breaking down the government mechanism of the bourgeoisie and landowners;
- the existence of many parties;
- the preservation of some of the old parliamentary institutions;
- a less demonstrative manifestation of the coercive aspect of the dictatorship of the proletariat than occurred in Soviet Russia.

Particular forms of government have been established or are now being established in some of the Asian countries where conditions are quite different from the European situation. There have been complex social processes and great revolutionary transformations in North Korea and Vietnam. Along with economic underdevelopment and the powerful heritage of feudalism, the main obstacle to these countries' liberation were foreign imperialist oppression and their former colonial dependence. For this reason, the anti-imperialist, anti-feudal and generally democratic objectives of these countries were far more broader and more complex than in the people's democracies of Europe. People's democratic states in Asia emerged in the midst of the specific conditions of revolutionary national liberation struggle and civil wars. Specific features such as the involvement of millions of peasants and

petty-bourgeois elements in the revolution, the numerically small working class, the heritage of economic underdevelopment and other factors had an impact on all the principal revolutionary transformations and meant that correct relations had to be established with the national bourgeoisie.

Regardless of the form chosen, the dictatorship of the proletariat is the instrument which aids the working people in destroying the world of capitalist exploitation and national oppression, and in carrying out economic as well as social and cultural transformations.

One important fact has to be mentioned. To try and distort the Marxist-Leninist theory of the transition period, many apologists of capitalism paint a picture of Marxism-Leninism excluding all compromise and recognizing that force is the only way to deal with the private owners of the means of production.

The working class would like to see the revolution develop peacefully and the peaceful transition from capitalism to socialism. Over a hundred years ago Engels examined the possibility of destroying private ownership by peaceful means. He wrote: "It is to be desired that this could happen, and Communists would certainly be the last to resist it." ¹

¹ Frederick Engels, "Principles of Communism", in: Karl Marx, Frederick Engels, *Collected Works*, Vol. 6, p. 349.

Marx indicated that provided certain historical conditions existed, the working class which seized political power might find it expedient and more profitable to ensure the peaceful victory of socialism to pay off the bourgeoisie and in this way paralyze its resistance to socialist change.

Developing this idea Lenin concluded that the transition to socialism could be facilitated and production spared if the capitalists were paid off well providing that conditions were such that they could be compelled to comply peacefully. The transition to socialism could then take place in a civilized and well-organized manner.

Tremendous material wealth and human lives are spared in a peaceful transition, which is the most painless way of going about it. But the choice of the way to build socialism is not the subjective prerogative of the working class alone. It depends on the objective balance of class forces, on the kind of resistance the exploiting classes will offer, and on their readiness to make concessions once convinced that resistance is useless.

But history shows that the exploiting classes resort to the most extreme measures when they see their domination threatened. The Paris Commune was drowned in a sea of blood with the Paris proletariat paying a price of 70,000 executed or sentenced to forced labour or prison for their attempt to bring down the

system of private ownership and exploitation.

The Russian capitalists and landowners refused to accept the working people's triumph in October 1917, and unleashed a civil war. There was very little blood shed at all during the October Revolution itself. So it is not the Russian workers and peasants but the internal and external counter-revolutionary forces who are to blame for the blood shed during the civil war.

The enemies of the working class frequently represent the dictatorship of the proletariat as an instrument of coercion. But there are different kinds of coercion, including coercion involving the use of arms, terror, civil war, etc. Violence is not necessarily a component of the period of transition from capitalism to socialism. For the working class, violence may be of necessity demanded in reply to fierce resistance by the overthrown classes. But there is equally peaceful coercion: the expropriation or limitation of property belonging to big capital, the deprivation or limitation of the political rights of the exploiting classes, and their obligatory participation in the socially useful labour. Peaceful coercion of this nature is inevitable during the transition from capitalism to socialism. It would be naïve to expect that the overthrown exploiting classes will accept the new social order without a murmur and voluntarily give up their wealth and privileges. Further-

more, in this instance it is coercion exerted by an enormous majority—the working people—over the exploiting minority.

Even so neither the peaceful nor the non-peaceful forms of coercion are the main function of the dictatorship of the proletariat. As indicated previously, its main function is the construction of a new society.

There is another very important feature of the dictatorship of the proletariat. History shows that once it has seized power, any exploiting class uses all the means available to it to strengthen and perpetuate its class supremacy. The slave-owners, the feudal lords, as well as the bourgeoisie, followed this course.

It is totally different with the working class. Even during the period of transition from capitalism to socialism, the working class governs society in alliance with the other sectors of the working population. And once socialism has triumphed completely, the state which emerged as the dictatorship of the proletariat transforms itself into the state of the whole people. But this does not change the socialist nature of the state.

Chapter 6

SEIZING THE KEY ECONOMIC LEVERS

The working people's advent to power through a socialist revolution does not instantly create socialism, since the most important economic levers remain in the hands of the moneyed classes. The working people have to themselves become the owners of the most important means of production, meaning that they must seize the key economic levers so that they can start building socialism. The way this is done is through implementation of the proletarian state's policy of nationalizing the decisive means of production from the bourgeoisie so that they can become the property of society as a whole.

Marxism-Leninism has always distinguished between large and small private property. Because it is unearned, large capitalist property must be made the property of the people either with the former owners compensated or otherwise. The property of small peasants and artisans should be socialized on another basis, and here methods such as expropriation are inadmissible. According to Marxist-Leninist

theory, the transition from small commodity production to socialism—which will be examined in greater detail further on—is possible only through the gradual and voluntary unification of the property that the small producers had earned by their work.

Experience shows that the nationalization of key industries should begin immediately after the working people assume power, because of the following reasons:

First—even under capitalism, the capital goods outgrow the limits of factories and even entire industries and become so highly socialized that they urgently demand public management.

Second—it is not enough to deprive big capital of political power; it must be deprived of economic power. Nationalization undermines the economic foundation of monopoly domination.

Third—nationalization is demanded by the building of an economic foundation for the dictatorship of the proletariat—the form of state power established as a result of the socialist revolution.

The following basic forms and methods of nationalization have emerged in the course of building socialism:

1. Confiscation; or the seizure of all means of production without compensating the exploiting classes.

2. Acquiring the means of production by

paying the price of the nationalized property to its former owners.

3. The gradual transformation of capitalist ownership of the means of production into socialist ownership through various forms of state capitalism.

Of course, the choice of method is determined by the specific historical conditions in which the socialist revolution occurs—the development of the country's productive forces and the balance of class forces domestically and internationally. Even though there may be widely varying conditions, methods and tempo of nationalization from country to country, one common feature remains—the abolition of capitalist ownership and establishment of socialist ownership.

Soviet Russia went about nationalization immediately without compensation, taking over the bigger enterprises, banks, the basic means of transportation and foreign trade. It should be pointed out that initially a special Soviet government decree envisaged the compensatory payments for nationalized enterprises. But the bourgeoisie, which sought the speedy collapse of the Soviet government, unleashed a counter-revolution. Naturally the dictatorship of the proletariat was compelled to reply forcefully and quickly. That was why the nationalization of the basic means of production was carried out in a historically brief period and by confiscating private property.

The working people's state began its takeover of major industrial enterprises as of the initial days of the Great October Socialist Revolution. Banks were nationalized in December 1917 and as such ceased to be an instrument of monopoly domination, becoming a mechanism for public control and accounting, and a key instrument for the workers' and peasants' government.

Railways, means of communication, and sea and river transport were nationalized at the beginning of 1918. The establishment of a state monopoly on foreign trade was extremely important. Private individuals were banned from doing business beyond Russia's borders and the government itself took over foreign trade.

Nationalization of capitalist property was enormously important because it resolved the basic contradiction of capitalism—that between the socialized nature of production and the private appropriation of its results.

The situation in the socialist countries of Europe was quite different during the latter half of the 1940s. The bourgeoisie could not openly sabotage action taken by the revolutionary governments after the nazi occupiers had been driven out and there was a surge of mass political activity. These countries began by nationalizing (without compensation) the enterprises and property of companies formerly belonging to subjects of nazi Germany, Italy and Japan and to individuals who had

collaborated with these powers. Property belonging to foreign nationals of the countries of the anti-Hitler coalition was nationalized with compensation. This was followed by the takeover of certain domestic banks from reactionary bourgeois groups, and the introduction of controls on private enterprises. The economic power of big capital was greatly eroded, making it easier to plan and carry out the socialization of the medium-sized and small enterprises, some of these were nationalized with partial compensation.

Nationalization of plants and factories in the Asian socialist countries also had its specific features. Mongolia had no industry at all when the people seized power, so it was totally built up from scratch. Practically all industry in North Korea (Democratic People's Republic of Korea) belonged to the Japanese, so it was immediately nationalized without compensation when the country was liberated and the revolution triumphed. Socialization of the key economic levers in other Asian countries differed from the course pursued in the USSR and other European socialist countries both in methods and the time required. The principal reason for this difference was the special position of the indigenous bourgeoisie in the former colonies and semi-colonial countries. This bourgeoisie generally supported popular power during the initial national liberation stage of the revolution.

The Socialist Republic of Vietnam socialized its economy as follows: a) nationalization without compensation of enterprises owned by the compradore bourgeoisie and foreign monopolies (some of the factories belonging to French monopolies were paid for as the Geneva agreements stipulated); b) nationalization of most of the factories belonging to the indigenous bourgeoisie, with the former owners partially compensated.

The socialist-oriented countries have employed the same methods of nationalizing key industrial enterprises, but at a slower pace. In Algeria, nationalization was most intensive between 1966 and 1968. The government nationalized mining, followed by the companies distributing oil and gas, and then the banks and insurance companies, and then big factories in other industries. The government took over foreign trade and most of the domestic wholesale trade. In 1971, 51 per cent of the shares of all foreign oil companies operating in Algeria were nationalized as were all gas fields and oil pipelines. The system of concessions was abolished. Thirty enterprises owned by Frenchmen and Belgians were nationalized in 1974. Early in 1978 the Algerian government took over five subsidiaries of French companies engaged in industrial, civil and road construction, surveying and electrical engineering. The nationalization process continued and by the late 1970s the rapidly-devel-

oping public sector was producing over 90 per cent of Algeria's industrial products.

The People's Republic of the Congo embarked on its course of nationalization in 1965. By 1971 the public sector embraced half of the country's enterprises, along with the sea-ports, railways and shipping, the land and its wealth, sugar, cement and electricity. Property belonging to Shell, Texaco, Mobil and other Western companies was nationalized in 1973. In 1974-1975 the government took over the insurance companies, the distribution of petroleum products and over 50 per cent of the shares in the country's two largest banks. The government increased its participation in the capital of the oil companies and established several government-owned export-import organizations with monopoly rights over the export and import of consumer goods. By the end of the 1970s, the public sector was producing 30 per cent of the country's industrial goods and 15 per cent of its agricultural products, and handling about 80 per cent of the passenger and freight traffic as well as 10 per cent of the retail trade.

One consequence of the anti-feudal and anti-colonial revolution in Ethiopia was that banks and insurance companies were nationalized in 1975 and over 70 industrial companies belonging primarily to exogenous capital were taken over. The Programme of the national democratic revolution adopted in April 1976

officially proclaimed that the objective was to rid the country of feudalism and imperialism, and to unite all the anti-feudal and anti-imperialist forces so as to establish a solid foundation for Ethiopia's transition to socialism. Profound social and economic transformations are being carried out under the guidance of Ethiopia's supreme governing body—the Provisional Military Administrative Council. Government monopoly has been introduced for foreign trade, an agrarian reform is being implemented on the basis of land nationalization, while co-operatives and state farms are being organized.

In the comparatively short period since November 1975 when independence was proclaimed, the People's Republic of Angola has been able to establish a solid foundation for the development of the public sector. Mines, textile mills, metal works and food plants have been nationalized or placed under government control. First to be affected were the big companies and firms owned by exogenous capital. The government took over power stations, shipyards, oil refineries and over seventy-seven per cent of the shares in the Diamang diamond mining concern. The state receives over half the revenues from the oil produced in the province of Cabinda by the American-owned Gulf Oil company. State-owned firms have been established in the fishing industry and transport, and a national airline has been opened. The government established a mono-

poly on foreign trade, set up a chain of "people's stores" for domestic retail trade, and has encouraged all forms of consumer co-operatives. Banks were nationalized in 1976 and a national currency—the guanza—was introduced the following year. Several big marketing and commercial companies were nationalized at the beginning of 1978. The year 1980 began with the nationalization of the Porto-Amboim railways in Guanza Sul province. The large farms were placed under the control of workers' committees, and government control was established over the big coffee plantations. Efforts are being made to develop co-operatives. The Angolan government controls practically all the country's principal industrial and agricultural enterprises.

The First Congress of the Popular Liberation Movement of Angola (MPLA) in December 1977 proclaimed the goal of creating the foundation for the transition to building socialism. President Agostinho Neto (1922-1979) told the congress that the MPLA socialist way of development was chosen on the basis of the experience and the general laws of social development. The MPLA has chosen to build a social order in which there is no exploitation of man by man, and this choice determines the MPLA's position and relations with the socialist countries who are its natural allies in the struggle to build a socialist society, and in the anti-imperialist struggle. President

Neto said that his party was aware of its great objective of building a free, independent and socialist Angola, it was inspired by the theory of scientific socialism and armed with the working-class outlook so that it was able to apply Marxism-Leninism creatively in the specific conditions of struggle in southern Africa. The congress adopted a programme—the main directions for economic and social development in 1978-1980—which was a major step forward in consolidating the public sector. The extraordinary MPLA congress in December 1980 reaffirmed that socialism is still the strategic goal of the Angolan revolution.

The People's Republic of Mozambique nationalized land and fixed assets, and placed banks, cement factories and insurance companies under government control. The government also controls the activities of many foreign companies. The public sector itself produces about 40 per cent of Mozambique's industrial output while 75 per cent of the country's total industrial production is controlled in some way or other by the state. Education and the health service have been taken over by the government, while in agriculture an important step has been to nationalize the big farms growing sugar cane, cotton, tea and cashews.

The Third Congress of the Front for the Liberation of Mozambique (FRELIMO) in 1977 mapped out a programme of completing

the popular democratic revolution and creating the necessary conditions for building socialism. The Eighth plenary meeting of FRELIMO in December of 1980 emphasized the importance of scientific planning for Mozambique's advance towards socialism.

In Tanzania, a public sector has been established and is being encouraged. The government has taken over the initial processing of cotton and coffee, the main export crops. By the end of the 1970s the government controlled the manufacturing industry, transport, communications, the power industry, banking, the health service and most of the wholesale trade, imports and exports. But a specific feature of the transformations in this country is that the private sector has been given a role to play in economic development at the same time as the public sector is being consolidated.

In Madagascar, the Charter of the Malagasy Socialist Revolution adopted at the end of 1975 is the foundation for extensive social and economic transformations. Since that time, banks and insurance companies were nationalized, and almost all foreign trade, about 40 per cent of the domestic trade, big plants and the power industry have been placed under government control. The government controls approximately 60 per cent of the country's economy.

Profound social and economic transformations have resulted in great changes in the

economy of the People's Democratic Republic of Yemen. The main economic levers have been taken over by the government. The public sector's share of social production rose from 24.6 per cent to 52 per cent between 1973 and 1978, while the mixed sector increased its share from 2 per cent to 6.3 per cent. The activity of the private sector was halved—from 61.3 per cent to 30.4 per cent. The result is that the government sector has emerged as the principal force in the country's economic development.

The extraordinary congress of the Yemeni Socialist Party, in October 1980 mapped out the ways of solving the urgent tasks and creating the conditions for building socialism. The socio-economic programme for 1981-1985 envisages a 61 per cent increase in the aggregate social product and a 62 per cent increase in the national income.

Guinea Bissau, which Portuguese colonialism had retained as an extremely underdeveloped country, is now working on an extensive programme of creating an independent economy. After five centuries of Portuguese domination, all the colonialists left behind was just one sole factory making beer and soft drinks, several poorly mechanized processing plants and only 300 kilometres of asphalt-covered roads.

Once independence was won, the government formed the first national enterprises—a woodworking plant, a fruit juice factory,

a cement factory, a brick kiln, a vegetable oil mill and other factories whose production is going up every year. The Petrominas national company was established to develop local mineral resources. As of 1980, there were about 150 government enterprises and companies as well as dozens of mixed companies operating in the country. The government's objective is to establish complete control over the operation of industry.

The Republic of the Cape Verde Islands is working to establish a new economic system. Its government is carrying out various economic projects with the aim of placing industry under complete state control. Twenty public and mixed enterprises have been formed, social and economic development is being planned and an agrarian reform is on the drawing board.

The socialist-oriented countries' nationalization policy embraces the property of exogenous capital as well as the big and middle national bourgeoisie. By nature, it is anti-imperialist and anti-capitalist. Nationalization undermines the economic supremacy of the exploiting classes as well as their political supremacy, and creates the conditions for the establishment of a socialist economic system, as well as the conditions for controlling the economy and the implementation of progressive changes. The class structure of society changes and there is a consolidation and development of the state

sector, which ensures the most effective way of creating an independent economy that will work for the people, an economy which can erect formidable barriers to neocolonialist assaults.

An analysis of nationalization in the socialist-oriented countries indicates that it has created many advantages for economic development; it has led to the establishment of a public sector which operates in the interests of the working people and to controls being introduced in the economy so that the economy is able to parry the endless intrigues of exogenous capital. The public sector has become a very solid source of accumulating capital and resources which can be used in the development of an independent national economy.

Chapter 7

STATE CAPITALISM AND WORKING-CLASS CONTROL

Ownership by the people of the means of production enables the government of the working people to take possession of the key industries and thus occupy the positions of command in the economy. This is why the socialist government can begin to play the decisive economic role as soon as it begins nationalization. It supplements the political levers it already has with economic levers, employing both to build a new society in which oppression and exploitation no longer exist in any form.

It should be pointed out that under capitalism, the nationalization of enterprises and even entire industries is also possible. But here there is no analogy with socialism, because the nationalized capital goods are not public property, but remain the possession of the aggregate capitalist—the bourgeois state—and are used in the interests of the capitalist class. They are still an instrument with which to exploit the working people.

Nationalization undertaken by a state of the

working people is the first legal condition for the socialization of production, a condition necessary for the transition to socialism. Production becomes genuine national property when new relations of production are established, relations which enable the working people to control the production and distribution of material benefits on a countrywide scale. Lenin indicated this very important aspect of socialization. "The difference between socialization and simple confiscation is that confiscation can be carried out by 'determination' alone, without the ability to calculate and distribute properly, *whereas socialisation cannot be brought about without this ability*."¹

Under certain historical conditions the dictatorship of the proletariat may make use of state capitalism in the interests of the socialist socialization. What is state capitalism? It is control of one kind or another by the working people's state of private businesses in industry and commerce. The forms of state capitalism are as follows:

1. State-owned business units leased to private entrepreneurs.
2. Concessions, involving the temporary responsibility for the development of natural

¹ V. I. Lenin, "Left-Wing' Childishness and the Petty-Bourgeois Mentality", *Collected Works*, Vol. 27, Progress Publishers, Moscow, 1965, p. 334.

resources, enterprises etc., to exogenous capital.

3. Private firms which operate on contracts and sell part of what they produce to the state.

4. Private firms which regularly fill state orders and operate on state-provided raw materials.

5. Mixed state-owned and private business units managed by government-picked representatives, while the former owners receive established dividends on their investments for a certain fixed period.

The socialist socialization of production through state capitalism presumes that capitalist ownership will continue to exist for a certain period and will gradually be transformed into socialist ownership. The position of the proletariat towards the capitalists once it has won power was clearly outlined by Lenin even before the Great October Socialist Revolution. "As far as individual capitalists, or even most of the capitalists, are concerned, the proletariat ... has no intention of taking 'everything' from them. On the contrary, it intends to put them on useful and honourable jobs - under the control of the workers."¹ As one economic form in the multitiered economy of the transition period, state capitalism is on a rung lower than

¹ V. I. Lenin, "Inevitable Catastrophe and Extravagant Promises", *Collected Works*, Vol. 24, Progress Publishers, Moscow, 1964, p. 429.

socialism, but is a higher form of economy than private capitalist, small-scale commodity and patriarchal forms because it involves production on a large scale, is based on more sophisticated technology and its development lends itself easier to control by the socialist state.

State capitalism provides the workers' and peasants' state with the opportunity to exploit the private owners' technical and economic expertise. It helps to develop production on a large scale, makes it easier to combat the recalcitrant petty bourgeois, and to establish countrywide control of the production and distribution of material benefits.

That is why the Soviet government concurred with the groups of capitalists who immediately after the Great October Socialist Revolution expressed their desire to cooperate with it in organising production. Lenin felt that the cooperation on this basis would create favourable conditions for the working class to learn from the old managerial staff how to establish production on a huge scale.

One should not confuse state capitalism under a bourgeois state and under a state where the power is in the hands of the working people. In the first instance state capitalism is used in the interests of the propertied class, while in the second it is used to further the interests of the working masses and to aid in the building of a socialist society.

The principal difficulty of socialist socialization after the October Revolution was that a totally new and unique system of managing social production had to be created. The working people who had seized political power did not have the knowledge or expertise to organise and manage production. That is why a series of important preparatory measures were taken in Soviet Russia before embarking on the nationalization of industry.

The first measure was the introduction of the workers' control over private enterprise, and the production and distribution of products. It should be pointed out that workers' control had emerged and became widespread in Russia even before the October Socialist Revolution. But its role changed substantially once the working people themselves assumed power. The factory committees which had formerly kept a close watch on the operation of the private business units and were a means of struggle for power by the workers now became an instrument laying the ground for the nationalization of industry.

Lenin's "Draft Regulation on Workers' Control" was used at the end of November 1917 as the basis of a decree introducing workers' control at all large capitalist enterprises. The workers' control bodies—the factory committees—were given extensive authority and took action on everything happening at

the plant. Employers were obliged to implement all decisions of the workers' control bodies.

Workers' control was introduced in the midst of a fierce class struggle. The capitalists sabotaged the actions of the workers' control, hoarding and secretly distributing products in short supply. They deliberately provoked conflicts with the workers, and closed down their factories on the pretext that there were not enough raw materials to warrant operation.

Workers' control gave scope to initiative and creativity of the working people, preparing them to manage social production. Workers' committees got operations underway again at factories which had been closed down or abandoned by their owners, prevented equipment from being stolen or destroyed, and organized supplies of raw materials and fuel.

The workers' control bodies were able to do what they were asked to do, and served as a school where the working people learned how to manage production. Workers' control was not a directly socialist measure, but it proved to be an important preparatory stage for building socialism. The Soviet method of introducing workers' control over private plants and factories was later widely used by the other socialist countries.

Workers' control, which was first initiated in the USSR, is also practised in the socialist-oriented developing countries. At Algerian factories, there are elected working people's

assemblies which participate in all realms of production, including management. People's control by the white and blue collar workers is used to protect state property from being stolen, used uneconomically, or improperly managed.

As already stated, workers' committees in the People's Republic of Angola supervise production in the country's key mining, metal-working, textile and food industries.

AGRARIAN REFORMS

The nationalization of the means of production which was examined earlier primarily involves private property in industry. But alongside this, there are large landowners in practically every capitalist country, as well as the related feudal or semi-feudal forms of exploitation. After the revolution has triumphed, the people's government abolishes this private property through agrarian reform, which provides a solid foundation for the alliance of the working class and peasantry, and assists them in joining forces to build socialism.

Agrarian reform does away with the economic base of the landowners, who are allies of big business. Agrarian reform abolishes private ownership of land as well as feudal forms of land tenure. It strikes at the wealthiest of the bourgeoisie because it abolishes bourgeois and monopoly ownership of the land, which is turned over to the peasants. In the USSR, for example, the agrarian reform embraced 20 million hectares of land which

belonged to big capital. And over 50 million hectares of land held in excess were confiscated from the middle rural bourgeoisie (the kulaks) and provided to poor peasants.

Revolutionary agrarian reforms encourage the mass of the peasantry to involve themselves in political struggle and enable their revolutionary potential to be used in building socialism. The ground is laid for the creation of new economic relations between socialist industry and agriculture, as well as between rural and urban areas, expediting the advance towards socialism.

The usual slogan for agrarian reform is: "Land for those who work it." But making this slogan a reality, or in other words, practical realization of the policy of a people's government, depends on many circumstances: the level of the country's agricultural forces of production, its traditions, the position of the peasants, their mood and the psychology. There are two possible variants of an agrarian reform:

a) complete nationalization of land (sometimes with partial compensation). Here ownership of the land is assumed by government as the representative of the entire people, and it turns the land over to the peasants for their free use;

b) partial nationalization (or partition of land), in which a part of the land being used for agriculture becomes government property,

while most is given to the working peasants in the form of private property.

If accelerating the process of socialist change is the objective (and Lenin pointed this out over and over again) nationalization of all land is the most effective measure. But in countries where the traditions of private property are strong, this measure might not be supported by the mass of the peasants. That is why these countries undertake partial nationalization and preserve the private land ownership by peasants. It should be pointed out that both nationalization and partition are an important intermediary step in the effort to carry out socialist transformations in agriculture, without which there can be no transition to socialism.

The decision as to which policy to pursue—nationalization or partition—depends entirely on the specific conditions and on the form of land ownership which the majority of the working peasants favour.

All the land was nationalized in the USSR and the Mongolian People's Republic, where the peasants had no traditions of owning land. Much of the land was turned over to the peasants for their free use in perpetuity.

The problem was dealt with differently in other countries which chose socialism. They nationalized only the vast land holdings and unused land, and most of the arable land was distributed among the peasants in the form of private property.

Both kinds of agrarian reform led to the abolition of feudal and semi-feudal forms of exploitation, undermined the material foundation of capitalist economic relationships, and strengthened the alliance between the working class and the peasantry.

Here are some facts and figures about the agrarian reforms in the socialist countries. Nationalization in the USSR resulted in the working peasants receiving over 150 million hectares of land over and above what they had before which they could use gratis. In Bulgaria, agrarian reform provided the peasants with 140,000 hectares. Hungary nationalized three million hectares, most of which was given to the peasants. In the GDR, over two million hectares of land, belonging to large estates were turned over to landless or poor peasants and to farm labourers. In Poland, peasants were given over six million hectares of land. Romania's peasants received over a million hectares as did peasants in the Democratic People's Republic of Korea.

The revolutionary actions of the dictatorship of the proletariat qualitatively changed economic relations in the urban and rural areas. Socialist relations of production emerged; the monopolies and the vestiges of feudalism were done away with; private capital was greatly restricted, and individual peasant farming based on personal labour was bolstered up. This resulted in a specific type of

economy of the period of transition from capitalism to socialism.

The socialist-oriented developing countries have adapted to their own national conditions the methods used by the socialist countries in carrying out basic agrarian reforms.

In Guinea, which still has communal landholding and small landownership, the government proclaimed all land—including the land owned by the tribal chieftains—the property of the nation.

This laid the ground for the broad introduction of peasant cooperatives, for more sophisticated methods of cultivating the land as well as the effective use of farm machinery and fertilizers. All the land was nationalized in the People's Republic of the Congo, while partial nationalization suited Mali.

When the French colonialists fled in droves from Algeria, the new independent government in 1963 nationalized their large holdings of arable land. The Algerian government also expropriated the holdings of domestic estates and feudal chieftains who had collaborated with the colonialists during the years of the national liberation war or had sabotaged government measures. The Algerian government expropriated approximately half the land being used.

There was total nationalization in the insular part of Tanzania (formerly Zanzibar), where the mass struggle had been anti-imperialist and

anti-feudal. In continental Tanzania, the land which had belonged to the British governor was immediately taken over by the national government once independence was proclaimed.

Foreign planters and farmers were deprived of inheritance rights to land, and were made no more than long-term tenants. As a result the government took unto itself the right to expropriate unused land without compensation and redistribute it.

The lands of the fleeing feudal chieftains were expropriated in the People's Democratic Republic of Yemen. Following the overthrow of the feudal monarchy in Ethiopia, all rural land was nationalized and proclaimed the property of the people.

ECONOMIC STRUCTURES AND CLASSES DURING THE TRANSITION PERIOD

Characteristic of the transition period from capitalism to socialism is the combination of capitalist and socialist forms of property and property relations which accounts for the existence of numerous economic forms and classes.

History shows that every country which moves from capitalism to socialism has at least three basic types of economy (socio-economic structures): socialist, capitalist and petty commodity.

The *socialist structure* includes all the nationalized industrial and agricultural enterprises, transport, banks and trade, as well as cooperative enterprises. It is based on public ownership—state and cooperative ownership—which emerged during nationalization and the organization of cooperatives, and is the socialist sector of the economy. In this sector there can be no exploitation of man by man.

The share of the socialist structure in the national economy at the initial stage of the transition period varies from country to country. But what is common to all is that

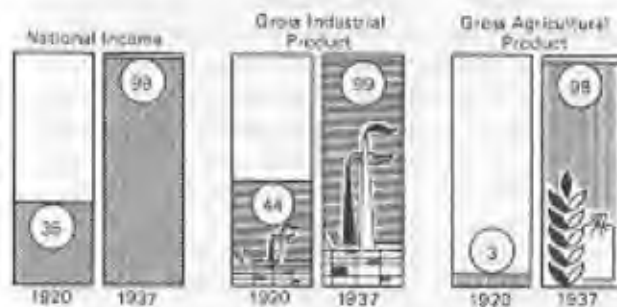


Fig. 1. Share of the socialist structure in the Soviet economy between 1920 and 1937 (in per cent)

already at this stage the socialist structure plays the leading role in the national economy, and that its share continues to grow (see Fig. 1). The reason for this is that the socialist structure is the most organized kind of economy and features progressive relations of production. It unites the biggest production units in the key industries, and occupies the leading economic positions. Furthermore, it enjoys government support.

The *capitalist structure* is based on private ownership of the means of production and the exploitation of hired labour. It is primarily represented by indigenous or exogenous business units in industry and commerce and by extensive land holding in agriculture.

The *petty commodity structure* constitutes the isolated holdings owned by peasants, artisans or other petty goods producers who do not employ hired labour. The contribution of this sector to the economy is usually quite considerable in the period before the peasants and craftsmen volunteer to join cooperatives en masse.

The petty commodity structure stands somewhere between the socialist and capitalist structures. Private ownership of the means of production, on which it is based, brings it close to capitalist economy. At the same time in this structure there is no exploitation of man by man, and it is based on the individual labour of the owners of the means of production. This brings it in line with the socialist structure and enables to gradually transform petty goods economy into socialist economy.

In many of the countries which began to build socialism, the petty commodity sector played a significant role in the economy in the initial stages of the transition period. It accounted for 54 per cent of the USSR's gross economic product in 1923 and 1924.

In addition to these three basic economic structures, during the period of transition, there may be state capitalism and the patriarchal structures.

The *state capitalism structure* has many forms. It manifests itself primarily in business units owned jointly by the state and private in-

dividuals, or in business units managed by individuals (including foreigners) on the basis of contracts concluded with the state. The use of private indigenous and exogenous capital in economy encourages those industries which the state is not yet powerful enough to develop. It helps rapidly expand the forces of production and ultimately consolidates economic independence. When power is solidly in the hands of the working people, state capitalism is no threat because its operations and development are rigidly supervised by the state.

State capitalism had its own specific features in each of the socialist countries. In the initial years of the USSR the principal forms of state capitalism were foreign concessions, mixed commercial, industrial, transport and credit share-holding corporations as well as the lease of state enterprises to private individuals.

The Soviet government's relations with foreign capitalists were based on their recognition of the Soviet state's sovereignty, of its nationalization of industry, land, transport and its monopoly of foreign trade, as well as recognition of Soviet labour and social security laws and Soviet tariff and customs policies. State capitalism was never a very big concern in Soviet Russia because the capitalists hoped to crush the Soviet government by force and restore the old system. The great majority were unwilling to establish economic contacts with a socialist country.

The emergence and existence of state capitalism in the other socialist countries also stemmed from their multistructural economy and the need to co-opt the recalcitrant petty bourgeois which capitalism engenders. At the same time the specific features of the people's democratic revolutions in these countries resulted in substantial differences in the manifestations of state capitalism. The Soviet Union's extensive and disinterested aid enabled them to begin transforming the economy without assistance from foreign capital. So unlike the USSR, the different forms of state capitalism which were seen in some of the socialist countries were based on agreements with the national bourgeoisie.

State capitalism developed to a slightly greater degree in the Socialist Republic of Vietnam, where the following forms of state capitalism emerged: government purchases of products from private enterprise at government-set prices; private manufacture of products from government-supplied raw materials and semi-finished goods, and the sale of these products to government organizations; the establishment of mixed state and private enterprises in which the government is playing the dominant role. This last form of state capitalism also existed in the GDR.

Mixed economy is the highest form of state capitalism, and it emerged in either of two ways: either the government invested in a pri-

vate company and became a co-owner, or it took over some of the shares. Participation in a mixed business provides the government with the opportunity to intervene directly in the realm of capitalist production, and not only to assume control, but transform it radically in order to eliminate all capitalist relations of production in the country and ensure the triumph of socialism.

It should be pointed out that the mixed state and private enterprises which existed in several of the socialist countries after World War II were different from those which had been established in the USSR. While the post-war variant was a stage in the process of transforming capitalist economy, in the Soviet Union joint-stock companies were established whose purpose was to attract foreign capital for the manufacture of export items and for the import of equipment needed for economic recovery.

In most of the European socialist countries, state capitalism made its appearance at the initial stage of the people's democratic revolutions (before 1949) when democratic transformations were being carried out in the economy. The dominant form was control of the operations of private business. But the ultimate nationalization of industry was hastened and state capitalism ceased to exist because the national bourgeoisie strongly resisted the social and economic changes even in the first stage of

the revolution and, in the subsequent socialist stage, indulged in sabotage and other methods of undermining the new system.

All these forms of state capitalism can also be found in the socialist-oriented developing countries.

The *patriarchal structure* or the subsistence economy may also continue to exist in some countries during the transition period. It consists of small individual farms, which have practically no market contacts because they consume everything they produce.

The patriarchal structure tends towards petty commodity production. Both are characterized by very insignificant output, private ownership of the means of production, the absence of exploited labour as well as the fact that the products are primarily destined for consumption by the producer and his family.

The number of structures and their respective importance to the economy will differ depending on the historical conditions, national features and level of development. For example, all five structures existed in the Soviet Union (see Fig. 2).

The figures show that petty commodity production was predominant in the USSR, that state capitalism did not develop and that the patriarchal structure played practically no economic role at all. The presence of the five structures attested to the economic backward-

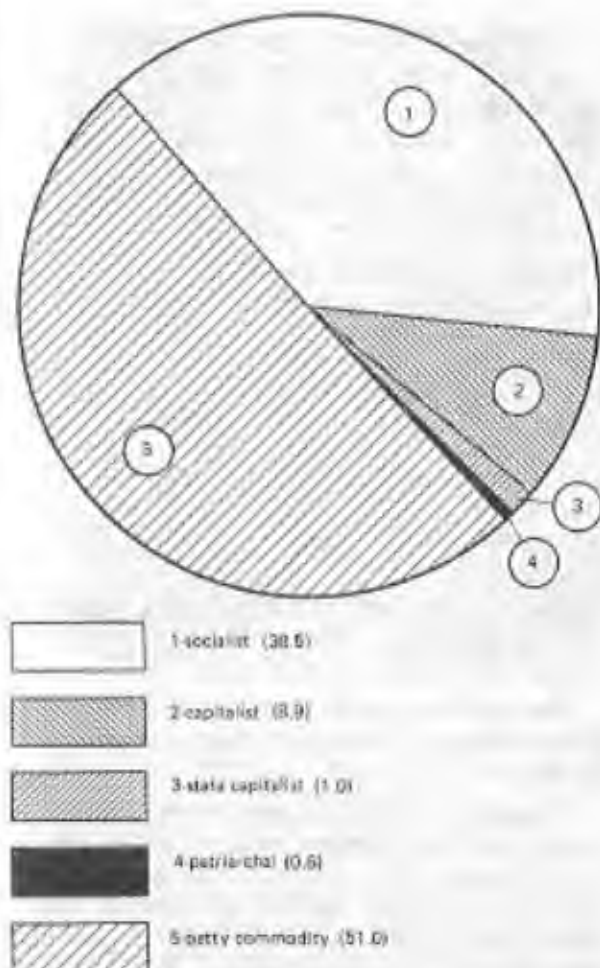


Fig. 2. Contribution of socio-economic structures to the Soviet economy in 1923-1924 (in per cent)

ness of tsarist Russia and the fact that the economy was basically agrarian. Petty commodity production had been consolidated during the initial years of Soviet government thanks to the nationalization of land which was turned over to the working peasantry.

Three predominant structures characterized the transition period in most of the European socialist countries: socialist, capitalist and petty commodity. But at a certain period in the GDR, state capitalism did develop significantly.

The patriarchal structure existed in Mongolia and Vietnam as well, and played a more important role than it had done in the USSR.

The contribution of the socialist structure during the transition period varied from country to country (see Fig. 3).

The multistructural economy of the transition period reflects the class structure of society.

Classes are large groups of people determined by their objective relation to the means of production, their role in the social organization of production and by the way in which they acquire their share of public wealth and how much of it they acquire. In the most general outlines, the class structure of the transition period can be described as follows: the

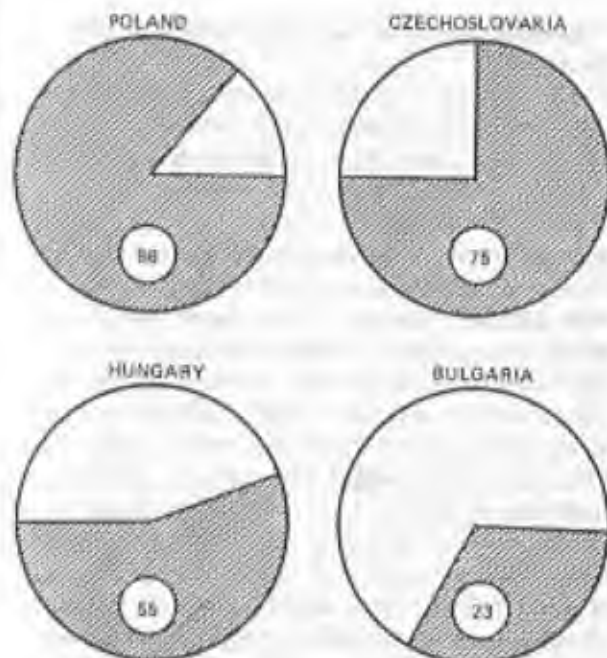


Fig. 3. Contribution of the socialist sector to the industry of Poland, Czechoslovakia, Hungary and Bulgaria in 1946 (in per cent)

socialist structure, represented by the working class, peasants united in cooperatives, and artisans; the petty commodity structure (and the patriarchal structure in some countries) by the peasants and craftsmen; and the private

capitalist and state capitalist structure, by the bourgeoisie.

The economic system of the transition period is basically different from the economic system of capitalist society, with the main areas of difference being as follows.

First, a socialist structure which does not exist under capitalism, emerges in the economy during the transition period. Not only does this structure emerge, but regardless of how much it contributes, it plays the leading role in the economy. There are several reasons for this, the most important being that the socialist structure occupies the key economic positions, is based on large-scale mechanized production, and attracts most of the skilled personnel. The relations of production in the socialist structure are in accord with the forces of production of society as a whole which is why its growth is the fastest. Furthermore the government of the working people assists the development and consolidation of the socialist structure in every possible way.

Second, the role, significance and prospects of other structures that exist under capitalism change during the transition period. The capitalist structure gradually loses its economic importance, and sinks to a subordinate role because the state of the working people controls private enterprise. State capitalism suffers the same fate. These structures have no prospects for development.

Although it may dominate quantitatively at the initial stage of the transition period, the petty commodity structure also has few prospects for further development. But its position in a socialist economy is different from what it was under capitalism. While under capitalism, there is a sharp stratification of petty commodity producers (most becoming impoverished, while only a few become rich), the economy of the transition period greatly improves the position of the great majority in their category. The socialist government uses economic levers such as taxation and credit as well as legislation to prevent sharp differentiations from occurring among the petty commodity producers. As time goes on, they will choose to join cooperatives and place the petty commodity system on a socialist foundation.

The position of classes representing different structures changes fundamentally during the transition period. Previously a class exploited and oppressed by capitalism, the working class becomes the dominant class in society. It holds state power, disposes of the nationalized means of production, leads the entire working population and directs the country's development in their interests—i.e. towards socialism—and suppresses the resistance of the overthrown exploiting classes.

The peasantry is freed from exploitation by the landowners and becomes an economically strong class. The working peasants allied with

the working class take part in administering the country and are loyal allies of the working class in combating the remaining exploiting elements and in creating a socialist economy.

The position of the bourgeoisie also radically changes. From being the dominant class under capitalism, it becomes a secondary class without any political power and deprived of most of the means of production. But it still retains a certain amount of wealth and extensive public relations and is supported to some degree by the petty commodity producers, especially the wealthier peasants.

The principal threat to socialist transformations in the transition period emanates from the alliance in production and commerce between the bourgeoisie and the wealthier sectors of petty commodity producers. This alliance can destabilize the economy and often provide the support for that section of the bourgeoisie which has not lost hope of restoring capitalism.

What accounts for the multistructural economy of the transition period is that at the epoch of socialist revolution capitalism has been unable to completely socialize production, even though some monopolies do concentrate it on a giant scale. The capitalist system prepares the material conditions for socialism to supercede it, and, as said earlier, gives a social character to the productive forces. But this process develops very unevenly from country to

country, and even more so from region to region. That is why under capitalism concentrated, large-scale production is always accompanied by middle-sized and small producers.

Some pre-capitalist forms of economy could be found in capitalist society. Because capitalism is based on the exploitation of hired labour, it eliminates only those elements of pre-bourgeois relations of production which interfere with this exploitation (the producer's personal dependence, many class differences, etc.). Capitalism retains other elements of pre-bourgeois relations of production because they are basically similar to the capitalist relations and are gradually remoulded in the capitalist spirit. One of the things that changes in this way is feudal ownership of land, expressed specifically in the transformation of the socio-economic nature of ground rent from a feudal category to an economic category of capitalism.

Petty commodity production does not essentially contradict capitalist exploitation. To begin with, in a capitalist environment it will confine to capitalist development. Second, petty commodity production (as represented by handicraftsmen and artisans) provides a source for the reserve labour force through the failure of petty producers.

As far as patriarchal structure is concerned, it sooner or later becomes involved in market

relationships, and gradually turns into petty commodity production.

The structures existing during the transition period contribute to a certain degree of unity at this specific time and tend to interact closely. As society is unable to immediately change or abolish them, it thus cannot immediately eliminate the relations of production associated with this stage of development of the forces of production.

CONTRADICTIONS OF THE TRANSITION PERIOD

The unity of the multistructural economy mentioned earlier is highly contradictory. The main contradiction of the transition period is the antagonism between newborn and expanding socialism, and vanquished—though not entirely destroyed—capitalism which is nourished and supported by petty commodity production. This antagonism can be resolved only through a difficult struggle, and class struggle is inevitable during the transition period to oust all capitalist elements from economy. How sharp this struggle will be depends entirely on the strength of the resistance to socialist construction offered by bourgeoisie as it departs from the scene of history.

There are other contradictions during the transition period, but these are not antagonistic. Let us look at two.

The first is the contradiction between progressive political power and the obsolete material and technical base. This contradiction is characteristic of countries, whose forces of production are at a low level of development.

The contradiction may be quite acute in countries with an extremely backward economy, but can be resolved by socialist industrialization, which ensures that the forces of production will develop rapidly.

Another contradiction of the multistructural economy during the transition period is that between socialized industry and the isolated petty peasant economies. During the transition period industry and agriculture develop on the basis of different economic laws: industry develops according to the laws of socialism, while agriculture develops according to uncontrolled market laws. For this reason, economic disproportions become inevitable. Furthermore, the petty commodity structure constantly breeds capitalist elements. If ignored and allowed to continue, this contradiction can seriously jeopardize the socialist cause. Socialist construction in the USSR and elsewhere has shown that the way to resolve this contradiction is through the voluntary cooperation of the peasants.

During the transition period, the thrust of the government economic policy is to ensure the socialist structure a leading and even dominating position, and to abolish the multistructural economy. All governments of countries introducing socialist transformations cannot take the same action to resolve the transition period difficulties because of differences in economic and national development.

But regardless of the differences in economic policy, the goal is always the same—to eliminate the capitalist elements, abolish the multistructural economy and build a socialist society.

Unlike the preceding stages with multistructural economies, socialist production cannot endure other types of economy for a lengthy period of time. The reasons are as follows:

First. Only socialist production relations are a powerful stimulus for the forces of production during the transition period because they harmonize with the public essence of these relations. To a greater or lesser degree, other structures act as a brake on the development of social production. So the production in a multistructural economy cannot grow at the rate required by the new socialist society.

Second. Multistructurality restricts socialist production relations to the socialist structure, which is only one sector of the economy.

Third. The dictatorship of the proletariat is a basically new type of political superstructure. It emerges prior to the corresponding economic base and is cemented by the consolidation and development of that base. The socioeconomic conditions which allow a return to capitalism continue to exist until the socialist sector embraces the entire economy.

According to Marxism-Leninism, economic relations reveal themselves in the people's interests. Once they have won political power the

working people's main interest is to increase production and develop the productive forces to satisfy their requirements. The interest of the capitalist class is based on the pursuit of profit. This is why the bourgeoisie tries to maintain and consolidate the conditions which allow it to exploit hired labour. Hence its resistance to government measures leading to socialist change.

The petty commodity producer is in a unique position. On the one hand he is a proprietor, and on the other a worker. This dual interest causes him to hesitate in choosing between the working class and the bourgeoisie. Like all petty-bourgeois elements, the petty commodity producers occupy an intermediary position during the dictatorship of the proletariat. Nevertheless the principal interests of the proletariat and the petty commodity producers coincide, because only socialism can free them from exploitation, lack of rights, and want.

The working class enlists the cooperation of the working people, primarily the working peasants, to vanquish the bourgeoisie. That is why it is very important during the transition period for the government to adopt a correct policy toward the peasants, to be able to differentiate between the working peasant and the proprietor peasant, to encourage the peasant economy founded on work, and to clamp down on proprietary tendencies.

So even after the working people win power, the class struggle continues, though in different forms and by other means. Lenin indicated five such forms of struggle: suppressing the resistance of the exploiters; civil war; neutralization of the petty bourgeois; employing bourgeois specialists in the effort to build socialism; and the establishment of a new form of discipline in labour.

The proletariat of the Soviet Union had to use all of these forms. Other socialist countries were able to avoid civil war.

The main problem for the working people after overthrowing the bourgeoisie was to build the economy, organize a more progressive social production, and a new work discipline based on a high degree of commitment.

The civil war begun by internal counter-revolutionary forces and military intervention by international imperialism forced Soviet Russia to delay its plans of building up the country for some time. The entire country became an armed camp. The situation demanded extraordinary measures. The government nationalized all trade, established a monopoly on trade in grain, and prohibited its sale by private individuals. A surplus confiscation system was established for wheat and fodder grain, and subsequently applied to other agricultural products. All surplus food and fodder was appropriated from the peasants. The Soviet government introduced labour conscription based on

the principle "He who does not work neither shall he eat".

A system of extreme economic measures called "war communism" operated from the second half of 1918 until the spring of 1921. It meant the scrapping of commodity-money relations and the naturalization of the economy. For example, a nationalized enterprise would receive all it required to maintain operations free from the government, but the manufactured products were also given to the state without payment. Food and consumer goods were strictly rationed, and provided to the working people either gratis or at a token price.

War communism was an enforced and a temporary measure. In the specific historical conditions of Soviet Russia it was the only possible and effective measure to defeat the opponents of the revolution. The series of measures known as war communism cannot figure among the general laws of the transition period, as it was demonstrated by the other socialist countries where the class struggle did not take the form of a civil war.

It was not until 1921 that the Soviet government was able to begin building socialism. Tremendous damage had been done to the country. Industrial production was only 14 per cent of the prewar level and steel production only five per cent. Less than a metre of cotton fabric per person was manufactured in 1921.

Transport functioned erratically and a fuel crisis was imminent. Agriculture was in the throes of great difficulties. The working masses were in hard position, with the industrial proletariat reduced by over 50 per cent. There were hundreds of thousands of unemployed across the country.

These difficulties indicate the very complex situation which the emerging Soviet government found itself in when it began building the material and technical base of socialism. It was absolutely clear that socialism could not be built by methods such as war communism. The economy could not develop normally when cost efficiency of production was neglected and only strictly centralized methods of management were used. Economic development required commodity-money relations and a combination of centralized and economic methods of management. This question became important increasingly in post-revolutionary Russia because the strength of the alliance between the working class and the peasants depended on the correct solution.

The peasants were petty commodity producers and had to have a market. Meanwhile, the confiscation of surplus farm products practised during war communism undermined the peasants' interest in boosting agricultural production. The situation demanded that the military and political alliance of the working class and peasants which had been expedient during

the period of war communism be replaced by an economic union.

To do this a New Economic Policy (known as NEP) was developed and implemented. The originator of the idea was Lenin. This policy was geared to strengthen the foundation of the dictatorship of the proletariat—the alliance of the working class and peasants—on an economic basis, and to establish contacts between socialist industry and the petty commodity peasant economy through extensive government-controlled use of commodity-money relations to stimulate the productive forces. The socialist state did allow capitalist elements to operate, but only within limits and on conditions that were profitable to the Soviet government. The confiscation of surpluses was replaced by a taxation in kind which enabled peasants to sell on the market the products that remained after the payment of taxes and to buy consumer items in exchange.

The purpose of the new economic policy was to stimulate the economy, to boost the peasant economies so that they could provide food for the working class, to improve the living standards of the entire population, and to rebuild and develop industry. It was expected to establish trade links with the main mass of the peasants to create the conditions for the subsequent socialist transformation of their holdings.

NEP was a component of Lenin's plan for

building socialism in the USSR. Its primary objective was to involve the mass of the peasants in socialist construction, and to build socialism through the joint efforts of the workers and peasants. It should be pointed out that the capitalist elements were gradually eased out of the economy because the key positions (industry, transport and banking) remained in the hands of the socialist state. By 1930, government trade and cooperatives had ousted the private traders altogether.

The New Economic Policy in Soviet Russia paved the way for the establishment of the material and technical base of socialism. The central principles of NEP are internationally significant since, in every country which has entered the transition period, the working class always builds socialism in alliance with the peasants. The strength of the alliance depends on the consolidation of its economic foundation.

Lenin characterized the significance of NEP as follows: "This task which we are working on now, for the time being on our own, seems to be a purely Russian one, but in reality it is a task which all socialists will face... The new society, which will be based on the alliance of the workers and peasants, is inevitable. Sooner or later it will come—twenty years earlier or twenty years later—and when we work on the implementation of our New Economic Policy, we are helping to work out for this society the

forms of alliance between the workers and peasants.¹

Historical development proved Lenin right. The basic principles of NEP were to employ market relations to establish a strong economic and political alliance between the workers and peasants and to involve the mass of the peasants in building socialism. These principles are vital to each country during the stage of transition to socialism. Other socialist countries adapted NEP methods to their own conditions and historical particularities.

¹ V. I. Lenin, "Ninth All-Russia Congress of Soviets, December 23-28, 1921", *Collected Works*, Vol. 33, Progress Publishers, Moscow, 1973, p. 177.

THE MATERIAL AND TECHNICAL BASE OF SOCIALISM

Every socio-economic formation has its own material and technical base characterized by a corresponding level of development of the means of production, corresponding industrial and territorial structures, production engineering, level of scientific development, and the extent to which science is incorporated in production.

Socialism cannot triumph unless a material and technical base has been founded for it. For this reason, the construction of this base is one of the key tasks of the period of transition from capitalism to socialism. History shows that a social system becomes dominant and takes over the reins of production only if founded on a solid material and technical base. Large-scale electrified machine production is the material base for socialism.

There is no ready-made material and technical base that suits socialism. Although capitalism does create a large-scale mechanized industry which is a condition for socialism, its contradictions prevent mechanized production

from embracing all spheres of the economy. Backward manual production persists in many areas because the capitalists are not interested in developing production for satisfying social needs; all they are after is profit. In other words, the capitalists develop production only to the degree it is profitable. They introduce a new machine only when it will cost them less in the long run than paying the wages of the workers the machine makes redundant. So the capitalists are definitely not always interested in improving production by introducing up-to-date technology.

Because it is a more progressive social system, socialism requires a higher level of development in production. It presupposes a high development of the productive forces inherited from capitalism, their greater socialization, and the restructuring of production so that it will function effectively in the interests of society as a whole.

Material and technical base of socialism is a socialized large-scale production in urban and rural areas, production based on the latest technology and national planning. This production is intended to satisfy the needs of the working people as fully as possible. This kind of planned and consciously managed production does not exist—nor can it—in any capitalist country. That is why the socialist restructuring of the economy is required when even an industrialized country chooses socialism.

The material and technical base of socialism is moulded and developed in the course of this restructuring.

Russia (and most of the other countries which are building socialism) carried out its socialist revolution at the time its productive forces were rather underdeveloped. But as mentioned above, socialism is incompatible with technical and economic backwardness. Its material base is modern mechanized production. The way this base is built during the transition period is through *socialist industrialization*.

In general industrialization is a process by which industry emerges and grows to become the key sector of the economy. Socialist industrialization is essentially the intensive development of large-scale mechanized industry (especially heavy industry and its nucleus—mechanical engineering), which guarantees that the socialist structure will triumph in all spheres of the economy and a highly-developed economy will emerge. It also guarantees economic independence and the necessary ability of the country to defend itself.

During socialist industrialization, the state carries out a series of economic and political measures to establish a large-scale industry based on the latest technology and which can provide machinery to all sectors of the economy. Socialist industrialization is not necessary for countries whose industry is devel-

oped at the time the working people assume power. The construction of the material and technical base of socialism is less difficult in these countries than in others. All that has to be done is to eliminate the disproportions characteristic of capitalism (uneven distribution of industry throughout the country, the technical backwardness of some sectors of the economy, etc.) as well as the ugly forms of technological development distortions fostered by the mercenary interests of capital.

Industrialization also performs other tasks within the framework of establishing the material and technical base of socialism. It stimulates labour productivity and changes the structure of the economy as a whole. Large-scale industry becomes the dominant sector in the economy, the most suitable national economic balances are being established. The working class concentrates in the big modern enterprises, grows numerically, and becomes better organized. This strengthens the political positions of the dictatorship of the proletariat.

Socialist industrialization differs basically from capitalist industrialization because it is the result of consciously planned activity by the state of the working people.

Socialist industrialization has sources different than capitalist industrialization. The sources of industrialization characteristic of all systems can be divided into internal and external. Under capitalism, the main internal

source is the merciless exploitation of the working people, while the external source is the pillage of colonies and dependent countries. These are the sources which provided the capitalist countries with the means to industrialize. Britain received most of its means by cruelly exploiting its colonies. Belgium and France industrialized on approximately the same basis. Germany's industrialization came largely at the expense of the enormous contribution received during the last third of the 19th century from France which had been defeated in the Franco-Prussian war. Tsarist Russia tried to industrialize with the help of foreign loans. This allowed foreign capital to seize the key positions in the economy, intensified the country's shackling dependence on foreign monopolies and led to even greater technical and economic backwardness instead of its elimination.

Naturally, all sources of industrialization, involving exploitation of the working people are unacceptable to the socialist state. Socialist industrialization is achieved through internal sources of accumulation, primarily:

- income that was previously used to finance the parasitic consumption of the exploiting classes, which the state appropriated for accumulation;

- income taxes levied on plants in the socialist sector;

- taxes levied on the remaining exploiting classes and, to a very slight degree, on the working people (this is a source of secondary importance);

- after the establishment of the world socialist system, assistance from the member-countries of the socialist community.

Because of the advantages of the public ownership of the means of production and planned economic development, socialist industrialization also differs from capitalist in speed. Britain's industrialization, i.e. the creation of a material and technical base corresponding to the capitalist method of production, took approximately one hundred years. The United States travelled the same road in approximately 75 years (thanks primarily to injections of capital and skilled labour from Europe). Industrialization in Canada, Australia, New Zealand and other countries took approximately the same length of time. The socialist countries industrialized much faster. It took the Soviet Union two decades. As a result of industrialization the USSR was able in a historically short period to establish tractor and automobile industries, the chemical industry, electrical engineering, aircraft, machine-tool and farm machine production, etc. Imports of foreign technology were cut considerably (see Fig. 4). The country succeeded in ensuring its economic independence.

Furthermore, socialist industrialization has

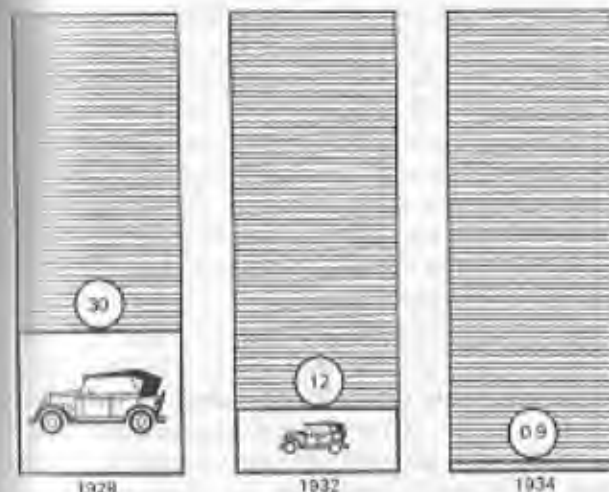


Fig. 4. Machinery as a part of the USSR's imports in 1928-1934 (in per cent)

different socio-economic consequences than capitalist industrialization.

Capitalist industrialization leads to an aggravation of all the socio-economic contradictions; it is accompanied by growing unemployment and the perpetuation of technical and economic backwardness in certain links of the world capitalist economy. The result is a small group of industrialized imperialist powers and many economically backward capitalist countries.

Socialist industrialization helps resolve the contradictions of the transition period. Since the aim of socialism is to satisfy all the many requirements of all members of society, industrialization is geared to improve living standards, reduce working hours and create jobs. It is little wonder that the USSR did away with unemployment by the end of 1930, when the country began its ascent to the ranks of the leading industrial powers.

Thus, socialist industrialization leads to the abolition of the exploitation of man by man, to the progress of formerly backward outlying areas, and to the socialist transformation of agriculture. It also creates the material base for ever better satisfying the working people's growing needs.

Soviet Russia, which industrialized in extremely difficult circumstances, provides the first example of socialist industrialization. Here are some of the main difficulties it faced.

The Soviet Union's forces of production were underdeveloped when it began its advance towards socialism. Russia prior to the revolution was primarily an agrarian country. Only 9 per cent of all gainfully employed were industrial and construction workers. Industry was backward, and labour productivity was a tenth of what it was in the USA. At the time, the Soviet Union was the world's only workers' and peasants' state, and it was sur-

rounded by hostile capitalist countries ready to impose an economic blockade at any moment and even to start again their military intervention. This circumstance forced the USSR to overcome its technical and economic lag behind the capitalist countries in the shortest time possible.

In its effort to speed up industrialization, the USSR gave the green light to building heavy industry, with the result that growth in all other sectors of the economy was far slower. The government was compelled to direct much of its capital and labour resources to create the pivot of industrialization - mechanical engineering. Explaining the special attention given to this industry was its exclusive role in industrialization as well as its extreme backwardness in tsarist Russia and the country's defence requirements.

What made things even more difficult was that the USSR could draw only on internal sources of accumulation. The capitalist countries either absolutely refused to grant loans or offered them on unacceptably shackling conditions. Despite all this, the Soviet Union achieved industrialization in a historically short period and transformed itself from a backward agrarian country into an industrial power. Here are just a few figures confirming the above. Nine thousand large industrial enterprises were built and went into operation and dozens of new industries established between

1929 and 1940. Over this period industrial production rose by 550 per cent, including a 10-fold increase in the manufacture of producer goods. Industrial output in 1940 was 7.7 times higher than in 1913 (the peak year for the economy of pre-revolutionary Russia), while the increase in the manufacture of producer goods was almost 16 times. As a result of socialist industrialization, industry dominated the Soviet economy.

Soviet industry rose to the level of the industrialized capitalist world, and there was a population explosion in the cities which were centres of industry and culture.

Industrialization was a powerful factor in the economic and cultural development of the formerly backward outlying areas of tsarist Russia. Modern industry was established in these areas, a working class created, and the economic and cultural inequality inherited from the prerevolution past wiped out. Industrialization was one of the most important means for carrying through the nationalities policy mapped by Lenin.

Industrialization of the USSR has been of tremendous importance internationally. The method has been adapted extensively by countries which have chosen independent development, and primarily by countries building socialism.

Industrialization in the other socialist countries had its own features, the prime one being

that these countries were not alone when they built the material and technical base of socialism. Behind them was the mighty world socialist system, on whose aid they could rely. In these countries the class struggle did not take extreme forms (it did not erupt into civil war).

Countries which chose the road of socialism after the USSR did not have to enforce socialist industrialization. The industrial might of the entire socialist community now guarantees the socialist countries' technical and economic independence from the world of capitalism. They can build a highly-developed modern industry by employing internal resources as well as mutual aid through the socialist countries' international organization—the Council for Mutual Economic Assistance (CMEA), and bilateral agreements. Their defence capability is guaranteed by the Warsaw Treaty.

Helping to smooth out the path of industrialization is the economic, scientific and technical cooperation between the members of the socialist community, mutual aid, the international socialist division of labour, and socialist economic integration. All this enables each country's internal resources to be used productively.

Cooperation between the socialist countries has made it possible for them to industrialize by developing those branches of heavy industry which stimulated the creation of

economic complexes harmonizing best with their specific natural and economic conditions.

Industrialization in developed countries like Czechoslovakia and the GDR took the form of reconstructing plants. The task of agrarian and agro-industrialized countries such as Poland, Hungary, Bulgaria and Romania was using aid from the USSR to establish heavy industry.

The socialist countries were very successful in developing the forces of production through socialist industrialization, in which they were assisted by generous mutual material, technological and financial aid. By 1961, industrial products already dominated the gross social product of all the socialist countries with the exception of Democratic Republic of Vietnam.

The example of CMEA members like Hungary and Czechoslovakia allows us to judge the nature and speed of development during the transition period. During the 14 prewar years (1925-1938) growth in the manufacturing industry was 43 per cent in Hungary and 13 per cent in Czechoslovakia. Socialist construction basically changed the nature of these countries' economic development. During the 14 post-war years (1949-1962) Czechoslovakia increased industrial output by 370 per cent and Hungary - by 360 per cent.

The nature and structure of the material and

technical base of socialism are fundamentally different from that of capitalism. The following are the former's main advantages: a higher level of socialization of production; the universality of large-scale mechanized production (it embraces practically all sectors of the economy); planned organization of social production; stable growth rates; and a rational industrial and territorial economic structure from the viewpoint of society's interests.

Socialist industrialization puts the socialist transformation of agriculture on a material and technical foundation.

To conclude it must be pointed out that socialist industrialization is not a general law for the transition to socialism. Building a large-scale modern industry is unnecessary if it had already been built in the period of capitalist development. During the period of an industrialized country's transition from capitalism to socialism, the time it takes to restructure the material and technical base to suit socialism may be shorter and have different aims, such as ending the disproportion in industrial structures and the uneven distribution of the productive forces.

Industrialization is a problem of special significance in the developing countries. Many of them, especially those in Africa, see industrialization as a means of consolidating their national independence as well as of overcoming

ing the socio-economic backwardness inherited from colonialism.

This is why industrialization was a plank in the programmes of the political parties of many of the developing countries and the establishment of modern industry made government policy.

Chapter 12

CONSTRUCTION OF SOCIALIST AGRICULTURE

Socialism is a system in which socialist ownership of the means of production and labour are the basis of all sectors of the economy, and in fact the basis of the national economy. So during the transition to socialism social ownership of the means of production has to be established in agriculture, just as it does in other sectors of the economy.

The restructuring of agriculture on a socialist basis is one of the most complicated tasks to be carried out once the working people have won power.

Simply nationalizing the land or distributing it among the peasants following the triumph of the revolution cannot lead to new production relations in agriculture. The people's government must take further steps to place agriculture on a socialist foundation.

Within the state sector, this problem is solved by the creation of big highly-mechanized agricultural enterprises—state farms

in the USSR and other socialist countries. These farms are a solid base for basic transformations in the rural areas, and are a model of socialist economic management.

When it comes to the enormous number of petty producers on separate farms, it is more difficult to introduce large-scale mechanization. The isolation and ungovernable development of the small farms and their low marketability, as well as the tenacity of private-ownership mentality among individual peasant farmers, are totally incompatible with socialism.

The necessity of radically restructuring the petty farms stems from the need to develop the productive forces of this sector as well as from the peculiarities of socialist relations of production.

The petty peasant economies offer no prospects as far as the growth of the forces of production are concerned. Usually they can do no better than simple reproduction, repeated year after year and renewed on the same scale. It is very difficult and in most cases simply impossible for small farms to employ up-to-date farm technology. They are unable to supply food for the growing urban population (a result of industrialization) or sufficient amounts of raw materials for expanding industry.

Equally important is that the petty peasant economies are vehicles of tendencies of devel-

opment alien to socialism. The economic laws of commodity production based on private property inevitably lead to the emergence of capitalist elements. This problem is not completely solved by government efforts during the transition period, i.e., containment of this process by legislation and economic levers. Petty commodity production has to be transformed into large-scale socialist production before the last trace of capitalist production relations is liquidated and the undivided rule of socialism established.

This is a very complicated problem. As already indicated, on the one hand, the peasant is a private property owner and a potential bearer of capitalist relationships. On the other hand, he is a toiler, who is a natural ally of the working class. That is why expropriation, a policy applied to the bourgeoisie, cannot be used in relation to the peasant.

So the working people's state cannot be based for any lengthy period on two opposite economic foundations—integrated large-scale industry in the urban areas, and petty, divided private production in the rural. As it develops socialist industry wipes out capitalist production relations, whereas small peasant economies breed them. Furthermore, industrial growth demands the expansion of the domestic market, something the petty individual peasant economies cannot guarantee. As

said above the small peasant economies have few opportunities of employing machines and most peasants simply cannot afford them.

Lenin's cooperative plan indicated ways for socialist construction in the rural areas, and consequently the building of socialism in the country. As Lenin viewed things, the dictatorship of the proletariat and possession of the means of production by the workers' and peasants' state made cooperatives the most concrete way in which peasants could be involved in socialist construction—it was a form they could understand.

Lenin elaborated the basic principles for socialist cooperatives. One of the most important was that the working peasants should be gradually convinced of the necessity of collective forms of farming. It should be patiently explained to them, and the advantages of collectivism should be demonstrated in practice. Lenin repeated over and over again that peasants should take up collective farming only of their own free will, and not all at once. Persuasion instead of coercion along with material incentives for each individual, should be the foundation for the socialization of agriculture. Lenin also reiterated that the public cooperative economy should be run on a strictly self-supporting basis, and strictly based on the principle that remuneration depends on the quality and amount of work. This can be done

only in a struggle against the forces and traditions of the old society, and only if the struggle is led by the working class and its party.

It is impossible to establish peasant cooperatives without government organizational, technical and financial aid.

Several forms of cooperation should be widely employed to induce the peasants to accept production cooperatives: credit, marketing and consumer cooperatives. These are simple forms of cooperation which meet the interests of the peasant as a private buyer and seller and teach him the rudiments of collectivism.

Lenin's cooperative plan envisaged a series of preparatory measures which would create the material and political conditions for peasants to move forward to the joint cultivation of land and to collective farming. The most important of these measures were:

- the complete or partial nationalization of land and its distribution to the peasants for use gratis or as property;

- the comprehensive development of the simplest forms of cooperation such as credit, marketing cooperatives, and the establishment of societies for the joint use of implements and land cultivation, all of which are a preparatory stage for production cooperation;

- socialist industrialization to supply the machinery required for large-scale socialist farming;

- the establishment of big state farms on nationalized land to provide an example of efficient management, to serve as agents of technical progress and new methods in organizing production, as well as to assist peasants in adopting collectivization;

- the establishment of machinery pools to provide inexpensive assistance to the poor and middle sectors in the villages and to cooperative associations;

- a credit and fiscal policy facilitating the involvement of peasants in cooperatives of all kinds;

- contracts as a method of introducing planning in individual peasant economies.

This last measure was a system of agreements between state procurement organizations and peasant farms concerning the sale of agricultural produce. The peasants received credit, implements and other industrial items from the state, and undertook to sell their produce to the state before a certain period was up and at a fixed price. The contracts stimulated the expansion of labour-consuming crops and created stable contacts between the rural areas and the state procurement and supply organizations.

All these preparatory measures limited the exploiting tendencies of the private capitalist elements in the countryside. The government had the same aim in mind when it introduced restrictions on the size of land holdings and on the exploitation of hired labour.

REFORMS IN AGRICULTURE

Peasant production cooperation is a general principle of building socialism. But this process takes different forms in different countries.

In Russia, new forms of socialist farming began emerging immediately after the triumph of the Great October Socialist Revolution. The Communist Party followed Lenin's cooperative plan and continued efforts to develop lower forms of cooperation in the rural areas until 1928.

At the outset, societies for the joint cultivation of the land were the basic form of production cooperation. These primarily socialized labour during the tilling of individual plots of land, often leaving the areas between the land holdings intact. The societies socialized some of the farm implements and draft animals, but they were small in size with an economy that was socialized to the least possible degree. This was the predominant form of peasant production cooperation until 1929.

Agricultural communes were an element of the cooperative movement in the USSR. These were production cooperatives where all the means of production were used commonly. It should be said, however, that this form of cooperation was not widespread. The communes which emerged during the initial years of Soviet government later disintegrated and were reformed into artels.

Practice showed that the agricultural artels (collective economies or collective farms) were best suited to achieve the targets and goals of building socialism. The collective farms socialized land tenure, labour, draft animals, farm machines, implements and farm buildings. Like other citizens of the USSR, the collective farm members also exploit plots of land assigned to them individually by the government for growing fruit and vegetables and for building their homes. Farmers continued to own houses, as well as some livestock and poultry.

The collective farms showed that they were best able to combine the interests of the population as a whole with the interests of each farmer; they are based on voluntary association and ensure the all-round development of the forces of production in agriculture.

Government agricultural enterprises, based on state form of socialist ownership, emerged as state farms. The first state farms were organized immediately after the 1917 revolu-

tion on the lands which formerly belonged to big estates. They played an important role in the socialist reforms in agriculture, as they offered agronomical and zootechnical aid to collective farms and peasant holdings. The state farms were a concrete demonstration of all the advantages of large-scale agricultural production.

Collective production triumphed in Soviet agriculture thanks to the government-supplied farm machinery, money and skilled personnel, thanks to the guidance of the rural reforms by the working class and Communist Party, and thanks to strict observance of the principles of cooperation expounded by Lenin. Ninety-eight per cent of the peasant holdings had been united in collective farms by 1940.

The beginning of mass collectivization was accompanied by the establishment of state-owned machinery pools which provided farm machines to the collective farms. The government found the right form of organization to enable it to make extensive use of modern machinery in collective-farm production.

The pools played an important role in organizing collective farm production on a new technical basis. Furthermore, they were a new form of production link between the working class and the peasants.

Socialist agricultural production was established in the USSR during the 1930s, resolving the most difficult and complicated problem to

arise once the working people had won power. Complete collectivization helped to do away with the last of the exploiting class—the kulaks. Socialist industrialization in the urban areas and collectivization in the rural eliminated the long tradition of opposition between the city and the village.

The Soviet Union's experience was followed successfully by other socialist countries, although there were variations in methods of cooperating. The fact is that almost all the other socialist countries (unlike the USSR) did not nationalize all the land but distributed it to the peasants as private property. As already indicated, this solution of the peasant problem was called for since complete nationalization of land would not have been supported by the peasants, who had fought the landowners for possession of it from time immemorial.

This was the reason why some of the socialist countries started by establishing simpler production cooperatives. When a peasant joined one of these cooperatives, the land he owned was entered in the books as his initial share, and remained his property. The peasants received payment for the amount and quality of work they contributed to the socialized economy, as well as what amounted to rent for the land they had given to the cooperative to use. At the next stage when higher forms of cooperatives were established (just like the Soviet collective farms, the only difference

being that the land continued to be cooperative and not state property), incomes were distributed only in accordance with the work performed.

State farms—big specialized enterprises established on nationalized lands, played a major part in the gradual socialist transformation of agriculture in the people's democracies. The state farms demonstrated the advantage of large-scale production and along with the newly-established machinery pools as well as farm implements hire centres and centres where the peasant could seek counsel on the use of new technology and amelioration methods accelerated the peasants' acceptance of new forms of collective farming.

Regardless of the many national distinctions existing in the people's democracies of Europe, there are basically three forms of production cooperatives. There is the first form, where only labour is socialized, while the land and means of production remain the property of the peasants. Then there is the second form, where the means of production and labour are socialized, but the land remains private property although cultivated as a single tract. And finally there is the third and highest form (the agricultural artel) in which labour, the means of production and land are socialized while incomes are distributed in accordance with the amount and quality of work contributed to the socialized economy.

Historical conditions, traditions, national particularities, etc. were all factors in determining the different periods of time it took to establish cooperation among the peasants. Many of the socialist countries of Europe (Bulgaria, Czechoslovakia, Hungary and Romania) in general completed the unification of the peasant economies by the beginning of the sixties.

The peasants of Yugoslavia are just in the initial stage of cooperation. The socialist sector in agriculture is represented primarily by government estates, agrarian and industrial complexes, and a small number of production cooperatives. Individual farms occupy over 80 per cent of the land and supply 70 per cent of the produce.

During its 1959 and 1963 land reforms Cuba abolished ownership of estates by landlords, ownership of land by foreign nationals as well as by a part of the rural bourgeoisie. Land was distributed to the former tenants and landless peasants. Most of the large land holdings were immediately made public property. The government owns 67 per cent of all the land, and a public sector has been established on this base. Peasants may choose the form of production cooperation they find most acceptable. Most widespread of all are cooperatives specializing in the production of sugar cane, supplying almost 20 per cent of the country's output. There were 1,100 agricultural production cooperatives in Cuba in 1981.

By the late 1970s, over 90 per cent of the total crop producing area in the world socialist system was cultivated by the socialist sector.

The Soviet method of peasant cooperation has also been adopted by the socialist-oriented developing countries.

Former colonial countries moving forward along non-capitalist way of development should carry out general democratic transformations, prominent among which are land reforms. These transformations are bound to have their own specific features in every individual country on its way to independent development. They take the form best suited to the targets of a specific stage of the revolution, and depend on the existing level of economic development, on the extent of capitalist relationships in the economy, and on the position and correlation of class forces. In other words, they depend on the wide range of socio-economic conditions distinguishing the developing countries of Asia, Africa and Latin America.

But regardless of the diversity of these conditions, there are laws they have in common, and it is these laws which make agricultural cooperation the most important factor in the transition of the developing countries to non-capitalist development. Established socio-economic structure brings the developing countries to the realization that the solution of the agrarian problem is vital for their progress after the achievement of political independ-

ence. The ways these countries deal with the agrarian problem have common features because they largely involve:

- an end to foreign ownership of land;
- an end to big feudal land holdings;
- comprehensive government assistance to peasants receiving land for personal use as a result of the agrarian reform;
- counteraction of tendencies towards private ownership of land;
- development of democratic forms of agricultural organization through the introduction of a collective basis for farming.

Once the French colonialists left the country in 1962, the Algerian peasants established a self-governing sector, which includes one-third of the cultivated land and provides more than half of the country's agricultural output. One-eighth of the rural population (about a million people) are employed in this sector. Over 800,000 hectares of nationalized land was distributed among the poorest peasants during the first stage of the agrarian revolution (1972-1973). The peasants who received land subsequently joined together in 3,500 cooperatives, including over 300 mutual aid societies, some 800 societies for joint cultivation of land, and 2,466 production cooperatives.

At the second stage of the agrarian revolution which began in mid-1973, the peasants received a further 460,000 hectares of national-

ized land. By mid-1978 there were 3,100 co-operatives, 2,347 of these production co-operatives. By the end of 1980 there were over 6,000 agricultural co-operatives, linking about 100,000 farms, and they receive considerable assistance from the government.

The government of Tanzania is working on a vast programme of transforming agriculture involving mass construction of what are called socialist villages, where production co-operatives are being established. There were 2,700 of these villages in 1971 and over 5,500 in 1974. By early 1977 Tanzania had over 7,600 socialist villages with a population exceeding 13 million.

Major transformations are taking place in the agriculture of Mozambique. Measures are being taken to establish production co-operatives in the form of community-owned fields that are tilled by 10-13 families, who sell the produce to government procurement organizations. Another and higher form of cooperation are the so-called communal villages, where the level of socialization is higher. There were about 1,500 of these villages with a population of approximately 3 million in Mozambique by the end of the seventies.

There has been considerable progress in the cooperative movement of Angola with co-operatives organized in the form of peasant associations and first and second-stage co-operatives.

In Ethiopia, the cooperative movement made rapid progress once the land was turned over to the people. Over 27,000 peasant societies bringing together more than seven million families, had been formed in the rural areas by the end of the seventies and in fact function as organs of local self-government. There were over 2,000 co-operatives in Ethiopia by the beginning of the 1980s, and more than 10 per cent of them were production co-operatives.

THE CULTURAL REVOLUTION

The workers themselves change in the process of creating the material and technical base of socialism and carrying out socialist transformations in agriculture. Socialist industry and large-scale mechanized agriculture require workers with a higher level of culture and technical education than petty production based on manual labour can ever provide. It is through the cultural revolution¹ that the problem of skilled personnel to build socialism is resolved.

The cultural revolution is not a short-term action. It is a long and complicated process of fundamentally transforming spiritual life. The achievement of a cultural revolution is a major development in transition from capitalism to

¹ It should immediately be made clear that a cultural revolution in the true Marxist-Leninist understanding means that the working people take possession of all man's spiritual and cultural heritage. This understanding of the cultural revolution has absolutely nothing in common with the notorious "cultural revolution" in China, which in fact prevented the people from access to the world's progressive cultural heritage.

socialism. The prime objective is to create a new, socialist culture, although the triumphant proletariat cannot turn its back on bourgeois culture as a whole, but assimilates its best achievements, which are critically reappraised and adapted to serve the working people.

The general content of a cultural revolution includes advances in public education, the creation of conditions facilitating the working people's involvement in politics and their access to learning and cultural values of all mankind. It also includes the spread of socialist ideology and the organization of the nation's spiritual life on its basis as well as efforts to overcome petty-bourgeois mentality.

A cultural revolution is necessary in all countries building socialism regardless of their development level. Bourgeois ideology dominates the most highly-developed capitalist countries and working people usually do not have access to culture. The dominant classes of capitalist society use every ideological means to extend their ideological influence among the working people and divert their attention from acute political problems. Only a socialist revolution creates the conditions for the authentic spiritual liberation of the working people, and opens the gates to learning and genuine culture.

In a country where power belongs to the working people, the state makes all cultural

facilities and all vehicles of spiritual influence such as museums, theatres, cinemas, the radio, TV, the press, etc. the property of the entire nation. The state takes responsibility for the education of the younger generation and restructures secondary and higher education to conform to the people's interests.

Some ideologists have maintained that the working people should not seize power until they have reached a certain cultural level and have won the allegiance of sufficient number of intellectuals, because without this they are "uncultured" and unable to govern and ensure that socialism will be built.

Life has shown these assertions to be foolish. In an alliance with the rest of the working people, the working class of Russia won power in a culturally backward country where three-quarters of the population were illiterate. One illustration of the low cultural level in tsarist Russia was that in 1906—eleven years before the Great October Socialist Revolution—a journalist wrote an article containing his calculations: it would take 180 years to completely eradicate illiteracy among the men of Russia, and 300 years for women; while up to 4,600 years were necessary for the different nationalities in the outlying areas. Once it took power in its own hands, the proletariat did everything possible to overcome the country's cultural backwardness in the shortest possible historical period. An extensive secondary, specialized

secondary and higher schools soon crisscrossed the country.

The proletarian government made a special effort to provide education to the peoples of what used to be the outskirts of Russia.

During the early 1920s, 90 to 96 per cent of the people in the Central Asian republics were totally illiterate, while the figure for Kazakhstan was 82 per cent. There is now practically one hundred per cent literacy in these republics, and almost half of the population of each has a secondary, or higher education. There are now more specialists with a secondary or higher education working in the Uzbek SSR alone than there were in the USSR as a whole at the end of the 1920s.

The peoples which did not have a written language have been given an opportunity to read and write in their native tongue, and children are taught in their own language. The introduction of a written language gave these peoples access to the world's cultural treasures. At the outset of 1941 2.5 million specialists with a higher education were employed in the USSR (compared to 190,000 in 1913).

The other socialist countries were also very successful in carrying out a cultural revolution, and socialist ideology was accepted and assumed the dominant position. These countries established genuinely popular educational systems and moulded a community of people's intellectuals.

Twenty-three per cent of the population of old Poland, 43 per cent in Romania and 27 per cent in Bulgaria were illiterate. These socialist countries have practically eradicated illiteracy by now, and done it very quickly.

One important job during the transition period is to fundamentally change relationships between nationalities, especially so in a multinational country. The eradication of political inequality between different nationalities is only the first, although a very necessary, step in overcoming economic inequality. The economic inequality of the national regions is overcome in the course of building socialism - in the course of socialist industrialization, the organization of agricultural cooperatives, and the cultural revolution.

In the USSR, a result of these measures was that once underdeveloped peoples established socialist relationships and built socialism without having to go through the capitalist stage of development.

The practice of building socialism in the USSR and in other multinational socialist countries testifies that socialism alone can solve the problems engendered by capitalism. Only socialism can end national oppression and establish political equality among peoples, abolish all national privileges and restrictions, establish all-round cooperation and mutual assistance among peoples, ensure genuine

economic and cultural equality, and even out their level of development.

The practice of building socialism has confirmed that socialism creates the conditions for the establishment and development of national statehood, which brings nations and nationalities together. Implementation of Lenin's nationalities programme in the USSR led to the sovereign national republics expressing the wish to unite, and as a result the Union of Soviet Socialist Republics was formed in 1922. The formation of the USSR was the practical realization of Lenin's concept of a voluntary union of free nations, and a triumph for the nationalities policy of the Communist Party of the Soviet Union.

Events have shown that the requirements of international unity and national sovereignty are harmoniously combined in this union. The nations which joined the Soviet Union received equal rights and opportunities for national development.

The core of national sovereignty does not consist in a nation's obligatory separation from other nations by virtue of separate statehood, but in freedom to choose a desirable form of social and political development. The development of the Soviet Union has convincingly shown that the sovereignty of each of its individual nations is best realized within a multinational family. This close and voluntary union of nations and nationalities ensured the ulti-

mate triumph of socialism in the USSR. The solution of the nationalities question certainly deserves to be placed alongside the USSR's tremendous achievements such as industrialization, the transformation of agriculture and the cultural revolution.

The other socialist countries have creatively adapted the way the USSR used to solve the nationalities question. This method is also very important to the peoples of the multinational emerging states recently liberated from colonial oppression, as well as to the peoples who are fighting to free themselves from colonialism.

CAN THE TRANSITION TO SOCIALISM AVOID THE STAGE OF DEVELOPED CAPITALISM?

The question of whether economically backward countries could build socialism without having to go through the stage of developed capitalism, was raised by Marx and Engels, though in an extremely general way.

The proletarian leaders had certain reservations when they studied this possibility.

First, Socialism initially had to triumph in the most highly-developed countries. Engels indicated that as soon as capitalism was done away with in countries where it had reached its highest level of development, and economically underdeveloped countries saw how the productive forces of modern industry could be made to serve society as a whole by virtue of their being made public property, only then could these underdeveloped countries embark on this shortened development process. In return there was guaranteed success. This applied to all countries at the pre-capitalist stage of development.¹

¹ Frederick Engels, "Nachwort (1894) [zu "Soziales aus Russland"]", in: Karl Marx, Friedrich Engels, *Werke*, B. 22, pp. 428-29.

Second. There had to be interaction between the proletarian revolution in the highly-developed states, and the democratic revolution in the underdeveloped countries. "If the Russian Revolution becomes the signal for a proletarian revolution in the West, so that both complement each other, the present Russian common ownership of land may serve as the starting-point for a communist development."¹

Third. The economically backward countries could not avoid going through the capitalist stage of development unless they received comprehensive aid and support from countries where the proletarian revolution had triumphed. No nation could skip the natural phases of development or proclaim their abolition by their own internal strength and resources.

It should be pointed out that the conditions of the times prevented the founders of scientific communism from developing and concretizing their own idea about the possibility of certain countries arriving at socialism without going through the stage of developed capitalism. Engels himself wrote: "It seems to me that we can only make rather futile hypotheses

¹ Karl Marx and Frederick Engels, "Manifesto of the Communist Party", in: Karl Marx and Frederick Engels, *Selected Works*, in three volumes, Vol. 1, Progress Publishers, Moscow, 1973, pp. 100-01.

about the social and political phases that these countries will then have to pass through before they likewise arrive at socialist organisation."¹

Lenin made a careful study of the possibility of progressing towards socialism without experiencing capitalism and applied it to the new historical conditions. The idea was expressed in the documents of the Second Communist International "... Are we to consider as correct the assertion that the capitalist stage of economic development is inevitable for backward nations now on the road to emancipation... We replied in the negative. If the victorious revolutionary proletariat conducts systematic propaganda among them, and the Soviet governments come to their aid with all the means at their disposal - in that event it will be mistaken to assume that the backward peoples must inevitably go through the capitalist stage of development ... with the aid of the proletariat of the advanced countries, backward countries can go over to the Soviet system and, through certain stages of development, to communism, without having to pass through the capitalist stage."²

¹ "Engels to Karl Kautsky in Vienna", in: Karl Marx and Frederick Engels, *Selected Correspondence*, Progress Publishers, Moscow, 1975, p. 321.

² V. I. Lenin, "The Second Congress of the Communist International, July 19-August 7, 1920", *Collected Works*, Vol. 31, Progress Publishers, Moscow, 1974, p. 244.

The question being considered is the possibility of socialist orientation for the socio-economically backward countries, which at the time the people's government is formed do not have the conditions to immediately embark on socialist construction (very weakly-developed forces of production, a total lack or almost complete lack of a working class, etc.). This stage of the national liberation revolution, which in Marxist literature is called "the non-capitalist way of development", envisages the creation of conditions for the ultimate transition to socialism, and involves laying the socio-economic and political ground for socialist transformations. This stage presumes the radical transformations of all aspects of public life with an eye to a socialist future under the guidance of a national front of progressive revolutionary and democratic forces, whose position is consistently anti-imperialist, and which proclaims alliance with the world socialist community.

It should be pointed out that Lenin urged a slower and more careful transition to socialism for countries dominated by pre-capitalist relationships, countries whose population is overwhelmingly peasant. For them there has to be a special approach to the application of the theory of scientific communism. It is impossible to determine beforehand exactly what means should be used to effect the transition from pre-capitalist relations to socialism. Only

life itself and practice can provide the answer.

Lenin's conclusion that backward countries could by-pass the stage of developed capitalism in their advance to socialism has been confirmed by practice in the USSR and several other socialist countries. In the USSR, the peoples of the Central Asian Republics and the Far North relied on generous fraternal assistance from the Russian working class and arrived at socialism without having to go through capitalism.

During the years of Soviet government the peoples of Uzbekistan, Kazakhstan, Tajikistan, Turkmenia, Kirghizia and other outlying areas of former tsarist Russia covered a distance which might well have taken centuries in other circumstances. Their rapid progress was made possible by the socialist system and, as already mentioned, by assistance from the triumphant proletariat of Russia. Thanks to the efforts levelling out the development of the national republics all the peoples of the USSR came to the triumph of socialism simultaneously.

Mongolia, one of the most backward countries of Asia prior to the triumph of the people's revolution (1921) is eloquent testimony of success in non-capitalist development. Nomadic livestock breeding was the foundation and practically the sole sector of its economy. The cattlebreeders, who were mercilessly exploited by the feudal lords, conducted what was really a primitive economy. Market relations had

barely developed, while both internal and external trade were controlled by exogenous capital.

The Mongolian people's revolution turned things around completely. It was anti-imperialist and anti-feudal, and succeeded in abolishing feudalism, democratizing public and political life, and building socialism.

Mongolia's transition to socialism had its specific features stemming from the prevalence of pre-capitalist relationships and the lack of a national bourgeoisie and working class. Under these circumstances, the central motivating force of the revolution were the peasants, led by the Mongolian People's Revolutionary Party, which relied on the alliance with and assistance from the proletariat of the USSR.

The Vietnamese people were able to successfully build socialism without going through the stage of developed capitalism. The historical progress of the peoples of the Soviet East and Mongolia is very important. It showed the correctness of the Marxist-Leninist analysis of non-capitalist development, and proved that even very economically underdeveloped nations following this course can solve their political and socio-economic problems, overcome the cruel legacy of capitalism, and build economically developed and independent states. Progress along the non-capitalist course also helps in solving the national question and in carrying out a cultural revolution.

The present situation is favourable for several of the countries which have gained the political independence to adopt non-capitalist development.

Among the factors assisting non-capitalist development in today's world are: first—the existence of a world socialist system which is becoming more powerful all the time, so that countries choosing socialist orientation can rely on it for direct aid and to curb the possibility of direct intervention from the West. Second—the objectives of the national liberation revolution and those of establishing conditions for subsequent socialist construction happen to coincide. The most important of the necessary conditions are the establishment of controls, restrictions and then complete ban on the activity of foreign monopolies; the nationalization of the key industries and establishment of a public sector; progressive agrarian reforms; the establishment of state farms and encouragement of cooperation between peasants and artisans; the diversification of the economy, primarily through industrialization; the introduction of planning for the present and future; the establishment of controls over domestic and foreign trade.

These measures can be carried out if there is a popular revolutionary and democratic government, if the masses become increasingly active in public life and if the proletariat, the peasants, the working youth and the middle

strata of the urban population play an increasingly significant role.

The multistructural economy of the socialist-oriented developing countries has its own features, and in many ways is reminiscent of the economy during the transition period in the USSR. These countries are strengthening their government and cooperative sectors and moulding the working class.

It must not be inferred from Lenin's postulate about the possibility of economically backward countries arriving at socialism without going through the stage of developed capitalism that this possibility must necessarily become reality. Parallel to factors facilitating this path of development are others that work against socialist orientation. Among these are first of all the influence of imperialism in the economic, political as well as ideological fields; the resistance of the internal reactionary elements; and finally, the actions of "left-wing" extremists, under whose pressure some of the countries which have adopted non-capitalist development make subjectivist errors. This makes it easier for the reactionary forces to oppose the policy of socialist orientation and, in certain instances can culminate in a temporary victory for the reactionary forces.

It should also be pointed out that the presence of favourable external conditions does not automatically ensure success in the struggle for socialism. The struggle demands persist-

ent efforts by the masses and their vanguard.

The successful development of the socialist-oriented countries depends ultimately on the position and correlation of internal class forces, on the outcome of the struggle between them, and on the presence of an organized force which can lead society's advance towards socialism. That is why socialist orientation does not presume that conditions will automatically and spontaneously emerge which will lead to subsequent socialist transformations; socialist orientation demands a relentless struggle against the external as well as internal enemies of socialism, a struggle to create and take advantage of conditions opening up.

SOCIALIST ORIENTATION: SOME RESULTS AND PROSPECTS

The possibility of going over to socialism, by-passing the stage of developed capitalism is no longer purely theoretical. The experience of several African and Asian countries has confirmed the scientific foresight of the founders of scientific communism.

A group of former colonial and dependent countries has embarked on non-capitalist development (or socialist orientation, which is in fact the same thing).

There is nothing surprising about the fact that the extent of social progress differs from one socialist-oriented country to another. Countries where profound socio-economic transformations have been carried out for a long time include Algeria, Burma, Guinea, the People's Democratic Republic of Yemen, the Congo, Syria and Tanzania.

Similar transformations have begun rather recently in other countries which have chosen non-capitalist development. Among them are Angola, Madagascar, Mozambique, and Ethiopia.

Over twenty years of socialist-oriented development by several African and Asian countries is sufficiently long for certain generalizations and conclusions to be made.

The main conclusion is that this new form of progressive development is extremely attractive and very viable. This can be seen from the fact that the group of socialist-oriented countries has been joined by Guinea Bissau, the Cape Verde Islands and Benin following independence. Further evidence of the anti-capitalist current in the liberation movement in the former colonies and dependent countries was the revolution in Afghanistan, whose people have also chosen non-capitalist development.

The countries which have adopted socialist orientation are consolidating their political systems, have been quite successful in economic development and in education, have implemented democratic and anti-feudal reforms, introduced progressive labour laws, etc. One can well say that over the past twenty years socialist orientation has become a historically established objective reality, that it is now part of the world revolutionary process, and a vanguard for the national liberation movement.

Another conclusion is that the governments of the socialist-oriented countries play a progressive role as the key factor in national consolidation and in the shaping of national con-

sciousness as the vital condition for developing public education orienting the people on an anti-imperialist platform.

The development of the newly-independent countries also indicates the viability of the revolutionary and democratic tendencies in those carrying out profound socio-economic changes as well as in those whose revolutionary and democratic regimes have fallen victim to reactionary coups. The results of some of the major steps taken by revolutionary democracies have been shown to be irreversible despite reactionary forces' efforts to wipe them out. For example, imperialism failed to compel Mali to join the group of pro-West African governments.

From the experience of socialist orientation accumulated by the liberated countries as of the end of the 1970s common features can be singled out:

1. Changes in the class characteristics of political power, its transfer to the hands of the progressive forces acting in the interests of the masses, the establishment of a new, revolutionary and democratic state and a new state machinery.

2. The proclamation of socialism as the goal of social development, and the mapping out of a consistent policy leading towards genuine national sovereignty in domestic and foreign affairs as well as in economic affairs.

3. An end to the political domination of im-

perialism and the monopolies, and the erosion of their economic domination.

4. Government control of the economy, the establishment of a public sector occupying the key positions in industry, finance and foreign trade and guiding economic development. The establishment of a cooperative sector in agriculture and of conditions guaranteeing its priority development.

5. Government controls and subsequently restrictions of the private business sector, including the nationalization of exogenous capital or the establishment of effective control over it in order to ensure the proclaimed targets of progress. Restriction of the activity of the private business sector and the erosion of positions occupied by the indigenous big bourgeoisie.

6. Implementation of profound social transformations in the interests of the people:

- implementation of agrarian reforms to overcome feudal relationships in the countryside and the distribution of land to the landless, small and middle peasants;

- abolition of social privileges;

- eradication of illiteracy;

- overcoming women's inequality;

- introduction of progressive social legislation in the interests of the working people to raise their status in production and improve their living standards;

- strengthening of the role played by the masses in public and political life, the creation of a system of public education and the development of national culture.

7. Struggle against the ideology of imperialism and neocolonialism to consolidate revolutionary and democratic ideology, which has historic links with the global liberation process and the theory and practice of scientific communism.

8. An anti-imperialist foreign policy, solidarity with the national liberation movement, and all-round cooperation and close friendship with the members of the socialist community, which are the international mainstay of socialist orientation.

Even though the direction of domestic development is the cornerstone of socialist orientation, history makes it clear that a progressive, anti-imperialist foreign policy is also crucial. In other words, socialist orientation is impossible without friendship and cooperation with the socialist countries, and even less possible if the country in question is hostile. Egypt's sorry experience (under Sadat's rule) showed that non-capitalist development is incompatible with a policy of rapprochement with imperialism. Characteristically, the steps to erode the social and political gains of the Egyptian revolution coincided with a deterioration of Egypt's relations with the socialist countries and at the same time with a turn towards imperialism.

To sum up, it can be said that the concept of socialist orientation is defined by a domestic and foreign policy based on anti-imperialist, anti-feudal and a degree of anti-capitalist transformations with a view to establishing a popular government and the political, socio-economic, scientific and technological conditions for the subsequent move to socialism. Though not yet socialist, these transformations are profoundly democratic. That is why Marxism-Leninism concludes that they can be successfully realized at the pre-socialist stage, provided that there is a revolutionary party which looks to the historical experience of real socialism, a party which is the authentic vanguard of the people.

The consistent and able implementation of profound transformations may open the way for the socialist-oriented countries to develop the national democratic stage of the revolution into the socialist stage.

It should be realized that any attempt to hasten the transfer to socialism or to go about it unprepared, and any artificial acceleration of social and economic processes can do great harm. Actions such as these undermine faith in socialism and the possibility of socialist orientation, which prepares the gradual transition to the socialist stage of the revolution.

There is still another important feature of the current development of the socialist-oriented countries—the attempts by imperialism,

allied with internal reactionary elements, to undermine the progressive regimes. Imperialism uses sabotage, plots and even overt intervention, capitalizes on economic difficulties, and economic and cultural underdevelopment, and instigates national and tribal hostility to try and again exploit the countries it once dominated.

Experience shows that if the developing countries are to preserve and consolidate their socialist orientation, the following are required:

- a revolutionary party guided by the principles of scientific communism;
- constant consolidation of the organs of democratic power, established after colonial domination had been abolished;
- training of party and government cadres loyal to the working people and to socialism;
- strengthening of national armed forces which can defend the gains of the anti-imperialist, people's democratic revolution;
- increasingly ample party and government contacts with the working people, and involvement of the latter in managing public and state affairs;
- an economic and social policy which ensures the consolidation of the country's independence, expands production and improves living standards.

The socialist-oriented countries will encounter considerable difficulties and complex prob-

lems in their development. They will have to overcome the resistance of socially hostile elements and the inertia of the old system. There will also be national, ethnic and religious problems within the framework of democratic statehood. But no difficulties can deny the fact that a start has been made and the first steps have been taken in a basically new direction of development for the former colonial and dependent countries. The example these countries set will be made more convincing by the success with which they deal with their social and economic problems.

The development of the socialist-oriented countries was analyzed in the Report of the Central Committee of the CPSU to the 26th Congress of the Communist Party of the Soviet Union. It was indicated at the Congress that, despite the differences from one country to another, there are common features in their development.

"Development along the progressive road is not, of course, the same from country to country, and proceeds in difficult conditions. But the main lines are *similar*. These include gradual elimination of the positions of imperialist monopoly, of the local big bourgeoisie and the feudal elements, and restriction of foreign capital. They include the securing by the people's state of commanding heights in the economy and transition to planned development of the productive forces, and encourage-

ment of the cooperative movement in the countryside. They include enhancing the role of the working masses in social life, and gradually reinforcing the state apparatus with national personnel faithful to the people. They include anti-imperialist foreign policy. Revolutionary parties expressing the interests of the broad mass of the working people are growing stronger there."¹

CONCLUSION

More than sixty years have gone by since the Great October Socialist Revolution—the principal event of the 20th century. The Revolution opened a new age in world history, the age of transition from capitalism to socialism. The October Revolution has become the guiding light for peoples moving towards socialism and an inspiring example for the working people of all countries in their struggle against the rule of capitalism and national oppression. Although the building of socialism has been pursued along different paths, the triumphant socialist revolutions in a host of countries in Europe, Asia and Latin America confirm Lenin's idea that the principal features of the October Revolution will inevitably repeat themselves on a global scale.

The building of socialism in the Soviet Union and the other socialist countries proves that the transition to socialism is based on general laws which are obligatory for all countries. Furthermore, events have shown that these general laws manifest themselves in different forms depending on the country.

¹ *Documents and Resolutions. The 26th Congress of the Communist Party of the Soviet Union*, pp. 16-17.

The particularities of building socialism in any given country primarily involve forms, methods, schedules and speed of the socialist transformations. But these particularities do not make the general laws redundant.

As was said at the 24th Congress of the Communist Party of the Soviet Union: "Successes in socialist construction largely depend on the correct combination of the general and the nationally specific in social development. Not only are we now theoretically aware but also have been convinced in practice that the way to socialism and its main features are determined by the general regularities, which are inherent in the development of all the socialist countries. We are also aware that the effect of the general regularities is manifested in different forms consistent with concrete historical conditions and national specifics. It is impossible to build socialism without basing oneself on general regularities or taking account of the concrete historical specifics of each country."¹ These ideas were reaffirmed at the 25th Congress of the CPSU in 1976.

The experience of world socialism continues to show that:

- as always, the fundamental question in a socialist revolution is power: is it to be the

power of the working class in an alliance with the other working people, or the power of the bourgeoisie, of the oppressors. There is no third choice;

- the transition to socialism is only possible on the condition that once it seizes political power, the working class must use it resolutely to abolish the socio-economic domination of the exploiting classes;

- the new system can triumph if the working class and its vanguard—the party with a Marxist-Leninist position—is able to inspire and organize the working masses to build a new society and to transform the economy and all social relations on a socialist foundation;

- socialism can be established only if the socialist revolution is able to defend itself from attacks by hostile forces inside and outside the country.

At the same time, the practice of world socialism has shown that any retreat from the basic ideas of Marxist-Leninist theory of the general laws of transition from capitalism to socialism—specifically the neglect of proletarian internationalism—can result in extremely serious consequences. This only reaffirms the existence of general laws in building socialism.

To sum up all that has been said—regardless of concrete conditions, national and historical traditions, the experience of socialist revo-

¹ 24th Congress of the Communist Party of the Soviet Union. March 30-April 9, 1971. Documents, Novosti Press Agency Publishing House, Moscow, 1971, pp. 9-10.

lutions and of building socialism in different countries shows that there is an objective need to observe the following general laws:

In political development—leadership of the working people by the working class—whose nucleus is the party based on Marxism-Leninism—in carrying out a proletarian revolution and establishing the dictatorship of the proletariat in one form or another, an alliance of the working class with the peasant masses and other sectors of the working people.

In economic development—liquidation of capitalist ownership, establishment of public ownership of the basic means of production, construction of the material and technical base of socialism, the socialist transformation of agriculture, and planned economic development geared to building socialism.

In national and cultural development a socialist revolution in culture and ideology, the formation of an intellectual community loyal to the working class and socialism, an end to national oppression, the establishment of genuine equality and fraternal friendship between different nations and nationalities.

In foreign relations—defence of the gains of socialism from the domestic and external enemies, solidarity of one country's working people with the working people of another country—proletarian internationalism.

The first time ever that these general laws were consciously applied was when socialism was built in the USSR following the triumph of the Great October Socialist Revolution which initiated the transition from capitalism to socialism on a global scale.

The experience of world socialism confirms the truth of Lenin's words when he said: "it is the Russian model that reveals to *all* countries something—and something highly significant—of their near and inevitable future."¹

The historical experience of world socialism has enriched Marxist-Leninist theory with new ideas and conclusions, and has broadened the horizons of modern revolutionary theory and practice. It has proved beyond any shadow of doubt the general nature and significance of the basic laws of the socialist revolution and the building of a new society, which were initiated by the Great October Socialist Revolution. It has confirmed that the laws have to be applied creatively, depending on the concrete conditions and specific features of the given country.

The modern conditions of revolutionary struggle open the way to a great variety of forms for the transition to socialism, and broaden the social base of the forces battling

¹ V. I. Lenin, "Left-Wing" Communism—an Infantile Disorder", *Collected Works*, Vol. 31, p. 22.

to overthrow capitalism and establish a socialist society. But under no condition do they eliminate the need for or change the nature of the revolutionary transition from capitalism to socialism and the general laws of building socialism.

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